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Roy A. Foulke: Benchmarks of Retail Health, Fourteen Important Financial Ratios for Twelve Retail Lines . . . . . . Business Conditions Summarized

Dear Mr. Perry: From my stationer in Boston, I have recently received some of the new steel pens now being produced in your manufactory in Birmingham. As a long-time user of the quill, I confess that I tried them with misgivings, but I am happy to admit that they do produce a sharper result and, of course, are longer lasting.

There will be many who will hold fast to the quill, from habit or sentiment, just as the official decrees of some European governments continued to be engrossed on parchment long after paper made of rags had proved its equal worth. But I am not one to cling to custom, for its sake, save where quality is involved. In that I hold fast, for I am determined to produce only papers of enduring worth from materials of lasting character.

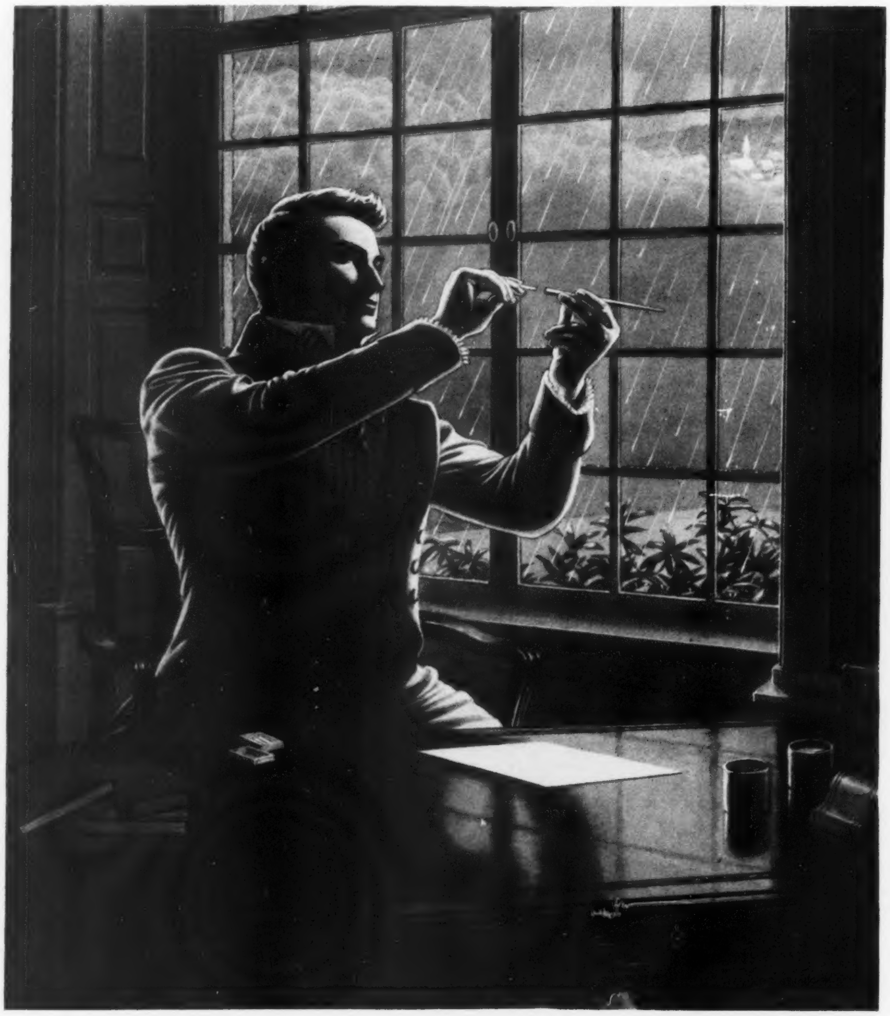
As to the method of production my mind is open and, like yourself, I am ready to adapt and adopt means that will increase volume without trespass on intrinsic merit. So it is that we have introduced some mechanical aids to supplement our hand processes and we shall continue to seek others that will make our papers available to more people for the transaction of business, the exchange of news and views, and for the wider diffusion of knowledge.

These are stirring and improving times in which you and I live and we are fortunate to be engaged in pursuits that contribute to the art of writing and enlarge the field of communication. By the more frequent and friendly use of the products of our manufacture, kindred spirits and common enterprises will be brought into closer union to their advantage and to the benefit of us all.

Truly yours,

ZENAS CRANE

Dalton, Massachusetts
4 October, 1824



Since the days of the quill pen, Crane has been making papers of cotton and linen fibres only, employing the accumulated skill and experience of five generations in the conversion of these enduring materials into distinctive papers for letters, documents of importance and record, tokens of value, and for many war-time needs and purposes, chief among them the War Bonds we buy that our arms may prevail and our freedoms be secured anew and for all time.

CRANE'S FINE PAPERS · MADE IN DALTON, MASSACHUSETTS · SINCE 1801

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The Cover

Reading, county seat of Berks County, Pa., was founded in 1748 by Thomas and Richard Penn, sons of William Penn, who named Reading and Berks for the English city and shire of the Penns.

This region was one of the first in America to supply iron and iron products and for nearly a century it maintained its supremacy in that line.

Today, Reading occupies a dominant place in the manufacture of hosiery. Here, too, are located several leading producers of builders' hardware and manufacturers of hosiery machinery, narrow fabrics, alloy steel, small steel castings, cough drops, optical goods, and children's shoes.

In surveys earlier this year, the Reading Chamber of Commerce found that 122 manufacturers were engaged in war production with $184,000,000 in Government contracts, and that 45,025 persons were employed in all manufacturing. The 506 manufacturers in Reading and the rest of Berks County produced goods with a total value of $154,764,625 in 1939 (Census of Manufactures).

The community's retail sales in 1939 ranked seventy-fifth in the nation, the 2,229 retail stores doing $54,765,000 worth of business. Service establishments, totalling 843, had receipts of $4,249,000. The 213 wholesalers produced $37,433,000 in sales.

The cover print, available through the courtesy of the Phelps Stokes Collection of the New York Public Library, depicts Reading in 1834.

PHOTO BY ELIZABETH R. HIBBS

THE effects on retailing of the first full year of war, with the tremendous expenditures for war materials and supplies, is traced by Mr. Foulke in his annual report on 14 financial ratios for 12 retail lines. From a similar examination of financial statements he will report in November on important financial ratios in 24 wholesale lines and, similarly, in December in 36 manufacturing lines.

RETAIL TRADE *in a* WAR ECONOMY

14 Financial Ratios for 12 Lines

ROY A. FOULKE
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THE fourteen important 1942 ratios for the twelve lines of retail business activity which comprise this yearly study, reflect the effects of the first full year of our tightening war economy. The staggering proportions of our war program in 1942 are evident from two simple financial facts. First, our average *daily* expenditures for war in the month of December 1942 were $235,600,000 compared with $76,500,000 in December 1941. Second, in the single month of December 1942, we transferred $757,000,000 of goods and services into Lend-Lease aid compared with $274,000,000 in the month of December 1941.

What did these tremendous expenditures for war materials and supplies do to our normal business economy and to the financial conditions of representative concerns in retail trade? One 1941 trend, an increase in net sales, continued through 1942; two 1941 trends, increases in both inventories and current liabilities, went into reverse and decreased in 1942. Two additional trends became clearly evident, a liquidation in the receivables item and a relative decrease in fixed assets.

Expansion in Net Sales—The 1941 ratios disclosed materially increased net sales over 1940 in eleven of the twelve retail trades listed in the accompanying table. The 1942 ratios continued this upward trend with higher turnovers of tangible net worth and net working capital than for the preceding year. In nine of the twelve trades the median of these two relationships indicated increased net sales; the three lines which showed the opposite trend with somewhat slower turnovers of tangible net worth and net working capital were retail hardware stores, retailers of lumber and building materials, and women's specialty shops.

Consumer purchasing power continued to balloon with expanding employment throughout 1942 providing the funds to carry net sales of these nine retail lines upward. Total employment in non-agricultural establishments, according to the Department of Labor, stood at 38,956,000 (revised series) in December 1942, a new all-time peak. This figure represented a gain of 423,000 from November 1942 and 2,868,000 or 7.9 per cent from December 1941. Notwithstanding the demands of the Federal Government for greater and still greater savings to finance the war, the increased payrolls of record employment provided the broad economic basis for the generally higher level of retail sales.

Decrease in Inventories—Inventories increased in eleven of the twelve lines in 1941 over 1940 as retailers expanded inventories in anticipation of shortages. For 1942 this trend was reversed. All but three of the trades showed a downward trend in the median ratio of "inventory to net working capital" indicating smaller year-end inventories. Difficulties were experienced in many lines of retail distribution in obtaining adequate quantities of merchandise, not to keep shelves full, but to keep them partly full.

As a result, ingenious managements expanded the varieties of their merchandise, men's wear stores took on

Fourteen Important Financial Ratios—Twelve Retail Lines—1942

Line of Business	Current Assets to Current Debt	Net Profits on Net Sales	Net Profits on Tangible Net Worth	Net Profits on Net Working Capital	Turnover of Tangible Net Worth	Turnover of Net Working Capital	Average Account Collection Period	Net Sales to Inventory	Fixed Assets to Tangible Net Worth	Current Debt to Tangible Net Worth	Total Debt to Tangible Net Worth†	Inventory to Net Working Capital	Inventory Covered by Current Debt	Funded Debts to Net Working Capital†
	Times	*Per Cent*	*Per Cent*	*Per Cent*	*Times*	*Times*	*Days*	*Times*	*Per Cent*	*Per Cent*	*Per Cent*	*Per Cent*	*Per Cent*	*Per Cent*
Clothing, Installment (43)	*9.39*	*7.13*	*16.81*	*19.67*	*3.20*	*3.29*	*81*	*7.0*	*2.2*	*11.4*	...	*28.5*	*33.6*	...
	5.21	**4.13**	**10.01**	**10.43**	**2.15**	**2.35**	**117**	**5.1**	**6.3**	**20.9**	...	**42.0**	**76.5**	...
	3.23	*2.52*	*5.08*	*5.48*	*1.44*	*1.59*	*135*	*3.2*	*14.7*	*41.4*	...	*62.6*	*87.7*	...
Clothing, Men's and Boys' (113)	*4.91*	*6.80*	*17.81*	*24.69*	*4.10*	*5.44*	*	*4.6*	*5.3*	*17.1*	*25.3*	*75.1*	*29.2*	*28.0*
	3.10	**3.87**	**11.58**	**14.31**	**2.89**	**3.99**	*	**3.4**	**14.0**	**37.3**	**51.7**	**105.1**	**45.6**	**71.2**
	2.24	*1.87*	*7.33*	*9.99*	*1.73*	*2.59*	*	*2.4*	*20.5*	*62.0*	*89.5*	*138.4*	*63.6*	*89.2*
Department Stores (342) (See below, also)	*4.21*	*5.17*	*17.14*	*24.59*	*4.15*	*6.39*	*	*7.9*	*7.2*	*18.2*	*37.3*	*57.0*	*40.6*	*43.4*
	2.91	**3.43**	**10.85**	**15.84**	**3.03**	**4.70**	*	**6.1**	**22.8**	**33.8**	**58.8**	**74.9**	**68.4**	**69.1**
	2.14	*2.36*	*7.13*	*11.20*	*2.16*	*3.33*	*	*4.8*	*41.1*	*56.1*	*93.9*	*100.6*	*107.5*	*86.8*
Fur Garments (31)	*3.86*	*6.57*	*24.35*	*36.38*	*3.71*	*5.76*	*	*9.9*	*2.8*	*22.6*	*29.0*	*32.7*	*71.8*	*6.5*
	2.86	**3.61**	**12.04**	**14.82**	**2.98**	**4.04**	*	**6.4**	**8.0**	**49.4**	**78.5**	**57.1**	**106.8**	**18.4**
	2.02	*0.91*	*2.71*	*4.59*	*2.26*	*3.06*	*	*4.4*	*17.4*	*72.7*	*97.2*	*67.6*	*167.0*	*48.3*
Furnishings, Men's (33)	*6.84*	*7.88*	*26.82*	*40.91*	*4.96*	*6.00*	*	*4.3*	*3.9*	*12.7*	...	*59.2*	*21.5*	...
	3.09	**5.99**	**10.07**	**15.57**	**2.90**	**3.85**	*	**3.9**	**17.3**	**33.3**	...	**100.0**	**43.2**	...
	2.44	*1.90*	*4.92*	*6.65*	*1.14*	*2.21*	*	*3.3*	*21.8*	*60.9*	...	*138.0*	*57.6*	...
Furniture, Installment (166)	*10.11*	*11.44*	*17.49*	*19.66*	*2.44*	*2.54*	*77*	*6.0*	*1.8*	*9.4*	*22.0*	*29.2*	*31.7*	*25.1*
	5.06	**4.23**	**8.38**	**10.53**	**1.66**	**1.90**	**126**	**4.3**	**9.8**	**21.6**	**57.4**	**40.0**	**60.0**	**72.2**
	2.95	*1.64*	*2.57*	*3.33*	*1.10*	*1.34*	*185*	*3.5*	*18.9*	*46.4*	*63.7*	*57.1*	*102.8*	*82.8*
Groceries, Chain (21)	*2.30*	*2.06*	*16.30*	*48.07*	*13.33*	*19.74*	*	*13.9*	*21.1*	*48.4*	*84.2*	*125.8*	*56.8*	*41.1*
	1.79	**1.42**	**13.91**	**26.26**	**10.31**	**16.32**	*	**9.5**	**36.7**	**65.8**	**99.8**	**153.9**	**72.6**	**75.2**
	1.55	*0.68*	*10.50*	*18.48*	*6.31*	*13.60*	*	*8.1*	*53.4*	*90.4*	*121.3*	*222.0*	*86.2*	*113.7*
Hardware (38)	*15.26*	*6.05*	*15.72*	*16.85*	*3.77*	*4.68*	*	*5.0*	*2.5*	*6.0*	...	*44.0*	*11.7*	...
	5.49	**4.49**	**9.71**	**12.32**	**2.62**	**3.18**	*	**4.3**	**20.3**	**18.4**	...	**69.8**	**28.0**	...
	3.75	*2.72*	*7.61*	*9.52*	*2.03*	*2.61*	*	*3.2*	*48.7*	*23.8*	...	*82.7*	*50.2*	...
Lumber (71)	*9.28*	*4.72*	*9.33*	*14.04*	*3.19*	*4.91*	*27*	*6.9*	*11.0*	*5.7*	*12.6*	*36.7*	*18.8*	*36.0*
	4.58	**2.89**	**6.52**	**10.71**	**1.81**	**3.03**	**35**	**5.6**	**26.2**	**15.1**	**49.0**	**53.3**	**46.0**	**54.5**
	2.78	*1.24*	*3.31*	*4.45*	*1.10*	*2.11*	*52*	*3.7*	*36.0*	*27.9*	*44.6*	*77.2*	*78.6*	*74.2*
Lumber and Building Material (80)	*12.15*	*4.95*	*11.29*	*17.30*	*2.93*	*5.38*	*27*	*8.8*	*9.4*	*6.1*	*25.6*	*36.6*	*19.6*	*12.9*
	4.51	**2.50**	**6.39**	**9.07**	**2.02**	**3.26**	**43**	**6.6**	**23.9**	**17.9**	**45.1**	**50.4**	**49.4**	**15.8**
	2.23	*0.72*	*1.36*	*2.41*	*1.54*	*2.44*	*64*	*4.6*	*39.9*	*39.5*	*66.1*	*71.5*	*115.7*	*49.4*
Shoes, Men's and Women's (43)	*4.97*	*6.12*	*30.76*	*34.52*	*6.56*	*7.76*	*	*6.5*	*4.5*	*22.6*	...	*83.4*	*31.9*	...
	3.04	**2.92**	**13.56**	**15.10**	**4.60**	**6.17**	*	**5.0**	**16.5**	**41.7**	...	**110.4**	**44.8**	...
	2.02	*1.97*	*8.80*	*12.78*	*2.94*	*3.68*	*	*2.8*	*27.9*	*78.6*	...	*145.4*	*64.0*	...
Women's Specialty Shops (128)	*4.09*	*6.07*	*24.21*	*37.44*	*5.39*	*8.12*	*	*11.0*	*8.2*	*23.2*	*46.4*	*46.6*	*57.8*	*29.2*
	2.45	**2.85**	**11.37**	**18.19**	**3.41**	**5.27**	*	**8.6**	**20.2**	**45.2**	**70.1**	**71.7**	**93.6**	**69.6**
	1.89	*1.97*	*8.05*	*10.73*	*2.63*	*3.78*	*	*6.1*	*31.8*	*74.8*	*83.5*	*95.6*	*137.7*	*99.4*

DEPARTMENT STORES—1942, 1941, AND 1940—BY SIZE (TANGIBLE NET WORTH) CLASSES—MEDIANS ONLY

Line of Business	Current Assets to Current Debt	Net Profits on Net Sales	Net Profits on Tangible Net Worth	Net Profits on Net Working Capital	Turnover of Tangible Net Worth	Turnover of Net Working Capital	Average Account Collection Period	Net Sales to Inventory	Fixed Assets to Tangible Net Worth	Current Debt to Tangible Net Worth	Total Debt to Tangible Net Worth†	Inventory to Net Working Capital	Inventory Covered by Current Debt	Funded Debts to Net Working Capital†
1942: Under $200,000	3.25	4.07	13.63	20.05	3.38	3.95	*	5.5	13.4	32.2	52.8	84.9	55.1	60.1
$200,000 to $500,000	2.82	3.87	12.47	17.63	2.97	5.19	*	5.8	16.2	36.9	75.5	69.2	71.4	85.4
Over $500,000	2.63	2.78	8.31	14.86	2.86	5.00	*	7.3	34.9	37.2	58.8	66.7	89.8	82.7
1941: Under $200,000	2.88	3.41	10.95	14.29	2.82	3.70	*	4.4	17.6	38.5	48.2	95.4	52.4	79.4
$200,000 to $500,000	3.24	4.02	12.13	18.21	3.29	4.09	*	5.8	21.7	30.9	66.6	72.1	67.3	99.3
Over $500,000	2.87	3.29	8.86	16.61	2.68	4.69	*	6.9	42.2	30.4	56.9	68.5	77.1	71.7
1940: Under $200,000	3.00	1.67	5.39	7.29	2.40	3.33	*	4.6	19.6	34.0	86.9	79.6	55.3	85.1
$200,000 to $500,000	3.18	3.31	8.37	12.55	2.01	3.81	*	5.5	23.5	25.5	82.7	63.6	64.0	107.6
Over $500,000	3.65	2.75	6.42	10.99	2.33	4.31	*	7.2	40.5	20.2	69.8	59.0	66.6	80.9

FOOTNOTES, EXPLANATIONS, AND DEFINITIONS OF TERMS

* Not computed; necessary information as to the division of sales between cash sales and credit sales was available in too few cases for use as a broad guide.

† Computed only for those lines in which a reasonable number of concerns had outstanding long-term liabilities.

The Ratios—The center figure for each ratio (in darker type) is the median or "average." The other two figures (in italics) are quartiles; for each ratio they indicate the upper and lower limits of the experiences of that half of the concerns whose ratios are nearest to the median. When any figures are listed in order according to size, the median is the middle figure (same number of items from top and bottom) and quartiles are the figures one-quarter and three-quarters down the list.

In the lower part of the table, which shows the figures for department stores according to three size (tangible net worth) classes for 1942, 1941, and 1940, only the median figure is shown.

Reporting Concerns—The number in parentheses after the name of the line of business is the number of concerns for which data were available.

Collection Period—The number of days that the total of trade accounts and notes receivable (including assigned accounts and discounted notes, if any) less reserves for bad debts, represents when compared with the annual net credit sales. Formula—divide the annual net credit sales by 365 days to obtain the average credit sales per day. Then divide the total of accounts and notes receivable by the average credit sales per day to obtain the average collection period.

Current Assets—Total of cash, accounts, and notes receivable for the sale of merchandise in regular trade quarters, inventory, listed securities when carried not in excess of market, and United States Government securities.

Current Debt—Total of all liabilities due within one year from statement date including current payments on serial notes, mortgages, debentures, or other funded debts. Also includes current reserves such as for taxes and for contingencies for specific purposes, but does not include valuation reserves.

Fixed Assets—The sum of the depreciated book values of real estate, buildings, leasehold improvements, fixtures, furniture, machinery, tools, and equipment.

Funded Debt—Mortgages, bonds, debentures, gold notes, serial notes, or other obligations with maturity of over a year from statement date.

Inventory—The sum of raw material, material in process, and finished merchandise. It does not include supplies.

Net Profits—Profit after full depreciation on buildings, machinery, equipment, furniture, fixtures, and other assets of a fixed nature; reserve for taxes; reduction in the value of inventory to cost or market, whichever lower; charge-offs for bad debts; all miscellaneous reserves and adjustments; but before dividends or withdrawals.

Net Sales—The dollar volume of business transacted for 365 days net after deductions for returns, allowances, and discounts from gross sales.

Net Sales to Inventory—The quotient obtained by dividing the annual net sales by the statement inventory. This quotient does not represent the actual physical turnover, which would be determined by reducing the annual net sales by the percentage of gross profit, and then dividing the resulting figure by the statement inventory.

Net Working Capital—The difference between the sum of the current assets and the sum of the current debts.

Tangible Net Worth—The sum of all preferred stocks (if any) and common stocks, surplus, and undivided profits, less any intangible items in the assets, such as good-will, trade-marks, patents, copyrights, leaseholds, mailing lists, treasury stock, organization expenses, and underwriting expenses.

Turnover of Tangible Net Worth—The quotient obtained by dividing annual net sales by tangible net worth.

Turnover of Net Working Capital—The quotient obtained by dividing annual net sales by net working capital.

lines of women's wear, installment furniture stores opened up installment clothing departments, confectionery stores added can goods, jellies, books and novelties, electrical appliances stores added drugs, gifts and novelties, meat stores added dairy products.

The three exceptions where the ratio of "inventory to net working capital" went up for 1942, were retail clothing installment stores, retail men's and boys' clothing shops, and retail installment furniture stores.

With increased net sales and decreased inventories, one would expect higher ratios of "net sales to inventory." That is exactly what happened. Nine lines showed higher median relationships between these two items.

Liquidation in Receivables—Regulation W of the Board of Governors of the Federal Reserve System, which became effective on September 1, 1941, limited to eighteen months the maximum length of installment sales of such products as refrigerators, washing machines, vacuum cleaners, pianos, and furnaces, and with minimum down payment ranging from 10 to 33½ per cent for particular products. Many stores had been extending installment terms ranging from two to five years, occasionally with down payments of 10 per cent or less, especially in the case of refrigerators. The contraction in receivables brought about by this regulation was augmented by the fact that the production of most of these consumer durable goods products was halted as plant facilities were converted to the manufacture of war materials and supplies.

Amendment No. 3 to this regulation which became effective March 23, 1942, reduced maximum terms from eighteen to fifteen months for most items, and simultaneously increased the minimum down payment on many products such as refrigerators, ironers, electric dishwashers and sewing machines from 20 to 33⅓ per cent.

Amendment No. 4 which became effective on May 6, 1942, increased the list of products to which the regulation applied to include such articles as automobile batteries and accessories, bedding, draperies, binoculars, jewelry, luggage, table and kitchenware. The maximum permissible maturity of installment sales was again reduced, this time to twelve months, and the required down payment for all listed articles increased to 33⅓ per cent, except in the case of furniture and pianos, where the required down payment was increased from 10 to 20 per cent, and in the case of automobiles where the maximum maturity of fifteen months was retained.

This amendment also broadened the regulation to cover all monthly retail charge account sales. Unless payment now is made by a purchaser by the tenth day of the second calendar month following a purchase, no further credit may be extended by a store until the items in default have been paid in full, or have been placed on an installment basis for payment within six months.

In his message to Congress on April 27, 1942, the President explained the economic reasons for this basic revolutionary regulation which has the force of law: "To keep the cost of living from spiraling upward we must discourage credit and installment buying, and encourage the payment of debts, mortgages, and other obligations, for this promotes savings, retards excessive buying, and adds to the amount available to the creditors for the purchase of war bonds."

The collection period, which is based on the relationship between net sales and receivables, is determined for only four of the twelve retail trades in this yearly survey, retailers of installment clothing, retailers of installment furniture, retailers of lumber, and retailers of lumber and building material. In the other eight lines, too large a portion of the annual sales is made on cash terms and, as a result, it is impossible to determine an average collection period without obtaining a breakdown of annual net sales into charge account sales and cash sales. This information is available in too few cases for an accurate comparative year-to-year study.

Probably no change in the accompanying table is so striking as the downward trend in the median collection period for each of these four retail trades. This figure for installment clothing dealers dropped from 186 to 117 days between 1941 and 1942, installment furniture dealers from 208 to 126 days, retail lumber yards from 65 to 35 days, and retailers of lumber and building material from 76 to 43 days. These typical collection periods for 1942 clearly show the change in the manner of meeting consumer install-

(Continued on page 26)

PHOTO BY LAWRENCE D. THORNTON

AERIAL VIEW OF DAYTON—COURTESY DAYTON CHAMBER OF COMMERCE

DAYTON-SPRINGFIELD SOLVES MANPOWER PROBLEMS BY VOLUNTARY EFFORT

THE campaign by which the neighboring Ohio cities of Dayton and Springfield halted in-migration and balanced their manpower needs with their supply of labor is an outstanding example of effective community action on wartime manpower problems and one, which adapted to local conditions, could be copied elsewhere throughout the nation.

The Dayton-Springfield community campaign relieved much of the stress on community services and wartime living conditions in the area. It has stopped most of the flow of outsiders into the community where no housing was available to them and made it possible to carry on war production with the persons already established there.

The causes of the Dayton-Springfield labor situation and the successful campaign undertaken to solve it were studied from all angles by the Office of War Information whose report is summarized below.

The Dayton-Springfield labor market area, which includes Prebble, Clark, Champaign, Greene, and Montgomery Counties, was reclassified on July 29 by the War Manpower Commission into Group II (areas of labor stringency or in which a labor shortage may be anticipated within six months). Since last Winter it had been in Group I (areas of acute labor shortage and, therefore, denied additional war contracts). The change in classification is enabling Dayton and Springfield war plants to renew their present contracts and, in some cases, to accept new ones.

The Dayton-Springfield area manpower situation posed a problem which required decisive action. The forces creating it are presented below.

The population of Dayton in the past three years increased from 210,718 to more than 275,000. In the same period Springfield grew from 70,662 to more than 85,000. Employment at the air fields, which are approximately midway between the two cities, has been multiplied eight times. Neither city was prepared for this sudden growth. Although both have taken similar steps and have worked closely together, Dayton, being much the larger, faced the more serious situation and took the initiative in seeking a solution.

The city, like many other war centers, has a shortage of physicians, nurses, dentists, and hospital facilities.

While single rooms have been located in Dayton, a great need exists for family-type housing.

Dayton has four private companies operating local street car and bus lines. The big need was for improved transportation facilities between Dayton and the air fields. Workers reported that formerly they often had to wait as long as 30 minutes to two hours before they could find room on a bus.

Dayton had fine parks and playgrounds, but recreational facilities were not organized.

Turnover among employees was a big problem. At one time the air fields recruited outside for girl employees and obtained a large number. But the newcomers were unprepared for the isolated location of the fields and the

lack of housing and adequate transportation facilities. During the first weeks they were on the job 70 per cent of them quit. Four of the five department stores also all reported that turnover was their biggest manpower problem. War plants likewise were suffering.

Absenteeism was high. One of the main reasons, said officials at the air fields after a check, was the lack of time to shop and perform other necessary duties.

Laundry services were swamped. Some workers reported that they had to wait as long as three weeks for their bundles.

The situation reached a climax in January 1943, when, despite crowded conditions in the community, manpower estimates called for a further increase in employment for 1943 of 28,000. Everyone conceded that it looked as though Dayton was destined to be an acute labor shortage area for the duration.

Steps Taken

Dayton, however, relieved this situation through the following steps:

The WMC area labor-management committee stopped in-migration. All manufacturers and retailers in the area agreed not to hire any persons who had been in the community less than 30 days, except with the approval of the United States Employment Service. Approval is granted only in cases of key workers or construction laborers, there being a shortage of the latter. As a result, hiring of outsiders has fallen from 500 a week to about 125.

Dayton and Springfield manufacturers voluntarily agreed not to seek any contracts which would require them to hire more workers than they had estimated they would need in their OES 270 (manpower inventory) reports of May 1, except with WMC approval.

Retailers, including the large department stores, agreed to reduce full-time employment to 1940 levels.

The Wright and Patterson air fields, for purposes of operating efficiency, adopted a policy of decentralizing wherever possible and took definite action toward fuller and better utilization of manpower at the fields.

The larger war plants declared a 90-day moratorium on hiring while determining the true manpower situation in the community.

Radio stations, posters, and newspapers warned outsiders to stay away from Dayton unless they possessed special skills not available in the community.

Manufacturers and the air fields were polled to secure revised and realistic estimates of future labor needs. The poll resulted in decreasing manpower estimates for the next three months by 9,622 and for the next year by 18,394.

Since women were the biggest source of potential manpower, manufacturers were asked to "reserve" certain occupations exclusively for women.

Volunteers conducted a Gallup-type poll of the women in the area and found that there were many more available for wartime jobs than had previously been estimated.

An information campaign is being conducted through newspapers, billboards, radio, motion pictures, and special pamphlets to induce women to take wartime jobs.

Stores, banks, ration boards, barber shops, beauty parlors, and other community services were persuaded to remain open two nights a week for the benefit of war workers. Department stores report their sales have increased although operating expenses remain the same.

A house-to-house canvass located enough vacant rooms to house roomseekers in the area and leave a surplus of 850 rooms.

Five hundred private homes were converted into apartments, several dormitories were erected, and housing projects speeded to fill the acute need for family-type housing in the area.

Expansion of the air fields, located in isolated sections between Dayton and Springfield, created the greatest demand for manpower in the area. However, Dayton, which supplied 90 per cent of the workers to the fields, found that the bus line between the city and fields was so overtaxed that workers often had to wait as long as an hour and a half for room on a bus and spent that time in line at unsheltered loading stations. Sheltered platforms were built and nine large buses added to the line, cutting the waiting time to 15 minutes or less, as a result of the Emergency Committee's action.

A special survey was made preparatory to organizing a community-wide recreational program in both Dayton and Springfield.

Frills were eliminated from laundry and restaurant services so that more people could be served and waiting time decreased.

Initial Steps

The first step taken in Dayton was the appointment of a WMC labor-management advisory committee, composed of Dr. F. G. Barr, National Cash Register Company; Otto L. Spaeth, Dayton Tool and Engineering Company; O. L. Beardsley, Frigidaire Division, General Motors Corporation; A. R. Fors, Airtemp Corporation; R. E. Armstrong and H. C. Jones (AFL); and Orville L. Kuhnle; and Clyde Mathews (CIO).

This committee drew up the follow-

WOMEN WORKERS IN NATIONAL CASH REGISTER COMPANY PLANT, DAYTON

WORKERS BOARD BUS AT AIRFIELD SHELTER—COURTESY DAYTON CHAMBER OF COMMERCE

ing employment stabilization program: To provide for the orderly transfer of workers to the jobs in which they can best serve the war effort; to prevent labor pirating; to prohibit useless changes of jobs by workers; to curtail the manpower waste involved in labor turnover; and to encourage more friendly and less hasty interaction between management and labor by requiring separation interviews before an employee leaves his job.

A similar committee was organized in Springfield. It includes John H. Horstman, Robbins & Myers, Inc.; Howard W. Gustafson, Oliver Farm Equipment Company; J. Robert Groff, James Leffel & Company; William C. Jordan, Steel Products Engineering Company; Walter Bailey and Stanley Colliver (CIO); and Edward E. Forrer and Glen Detling (AFL).

"We didn't realize at first the change which was taking place in Dayton," commented Paul W. Williams, managing director of the Dayton Chamber of Commerce. "We didn't foresee its implications. When we did, we got busy."

Williams feared that, with war plants in the area unable to renew contracts, the eventual result would be unemployment. Dayton lost several large war contracts. This alarmed some manufacturers. More far-sighted ones began to worry about the post-war effects on the community of continued in-migration. Dayton manufacturers wanted to know what could be done.

Ten-Point Program

On April 2 Robert C. Goodwin, WMC regional director, explained the situation to a small meeting of manufacturers, air field officers and other community leaders. He told them that the WMC had a 10-point program.

High spots in this program were the curtailment of in-migration to an absolute minimum; establishment of a reserved list of occupations for women; rigid enforcement of the minimum 48-hour week; curtailment of all luxury services and activities considered as less essential to the war effort; maximum utilization of all employed persons, and transfers from less essential employment; and keeping employment of establishments engaged in essential activities at the lowest possible level, and reducing and then freezing at the 1940 levels full-time employment in establishments engaged in less essential activities.

The meeting was attended by some of the most influential men of the community. Before the session was over the group had endorsed the WMC program and had named an emergency committee to deal with the local manpower problem.

The members of the Emergency Committee were S. C. Allyn, president of the National Cash Register Company; Col. E. A. Deeds, chairman of the board, National Cash Register Company; M. A. Spayd, executive vice-president, Standard Cash Register Company and president of the Dayton Chamber of Commerce; Maj. Gen. Walter H. Frank, commanding general of the Air Service Command, Army Air Forces, Patterson Field; Charles F. Kettering, vice-president, General Motors Corporation.

Frederick H. Rike, president of Rike-Kumler Company; Mayor Frank M. Krebs; Brig. Gen. Charles E. Branshaw, commanding general of the Army Air Forces Materiel Command, Wright Field; Walter H. J. Behm, president of the Winters National Bank & Trust Company; R. E. Armstrong, Charles Batten, Jr., and Harvey C. Jones, all of the AFL; and Jack Fiske, Fred Fudge, and Orville Kuhnle, CIO.

A later meeting of 200 manufacturers in the Dayton-Springfield area was called and the need for thoughtful estimates was explained. The new estimates proved to be considerably different.

The effect of stopping in-migration and of the moratorium on hiring resulted in manufacturers viewing their working force with a different viewpoint. "I am sure that there has been an improvement in the utilization of labor," states Mr. Allyn. "However, war production has not suffered."

One plant, which had been experimenting with a job, was told to proceed with actual production as fast as possible. The moratorium was on, and the plant wanted 2,000 employees to do the work. The plant heads went through the various departments, picked some men from a job just completed, more from work that was way ahead of schedule, and others from jobs where the remaining men could carry on. The contract was filled without hiring new workers.

The Emergency Committee really served as an arm of the Area War Manpower Committee. WMC Director Gregg and his predecessor, Walter L. MacDonald, were in the midst of all of the actions taken. The Emergency Committee, which had drawn upon the energies of all of the industrial, military, civic, and business leaders, gave the WMC, which has a normal staff in Dayton of only four persons, an organization with which to function.

Employment in Dayton

The following table shows how employment has increased in Dayton industries since 1940: Total employment, 1940, 45,093; 1942, 61,030; 1943, 76,031. Men full time, 1940, 36,908; 1942, 49,-622; 1943, 55,057. Women full time, 8,103; 11,230; 20,239. Non-white, 1,183; 1,729, 2,123. Men part time, 79; 79; 394. Women part time, 103; 96; 341.

The committee found that last November the establishments in the area reporting on Form 270 had predicted that by May 1, 1943, their total employment would be 124,244. Actually, it was 113,085 or 11,159 less than anticipated. This led to belief that estimates of future employment were high.

On the basis of revised figures it was found that only 4,128 more workers than were employed June 1, 1943, will be needed in the next twelve months. One important reason for the changed employment situation was the action of the air fields in decentralizing their

(Continued on page 34)

BASIC POLICIES IN CANCELLATION *and* SETTLEMENT *of* WAR CONTRACTS

THEODORE WESLEY GRASKE
Counsel, Webb & Klepinger


PHOTO FROM CHARLES PHELPS CUSHING

DUE to changed supply requirements, caused mainly by shifting theaters of war and technological improvements, more than 10,000 war contracts have been cancelled. These represent a total value of $12,000,000,000, about 8 per cent of the $157,000,000,000 of prime contracts placed up to July 1943.

These terminations include substitutions of one product for another and cancellations of work that had not been started. They do not all represent less work for the contractor. Nevertheless, the problem of cancellations is a continuing one and one that is sure to increase in importance. In dollar value, about nine-tenths of the terminations have occurred in the War Department. The Navy Department between March 1 and July 31, 1943, cancelled nearly $1,225,000,000, but against these placed new orders of $808,000,000; cancellations not replaced with new orders totalled $415,000,000. The Treasury, Maritime Commission, Bureau of Public Roads, and other agencies account for the remainder.

The War Department recently established in the Under Secretary's Office a Contract Termination Branch. This has charge of co-ordinating the Army Service Forces policy on cut backs and cancellations. The War Department has issued two important documents relating to the entire subject of termination. The first is a "Termination Accounting Manual for Fixed-Price Supply Contracts" and the other is Procurement Regulation No. 15, relating to "Termination of Contracts for the Convenience of the Government." The contents of these documents are familar to concerns which have been included in the current cancellation program. As time goes on, many more concerns will experience the directions of both.

It is the purpose of this article to explain as briefly as possible the basic policies and procedures involved in this increasingly important matter of cancellation and settlement of war contracts now in operation.

When decision to terminate has been made, the contracting officer is required to serve notice on the contractor and to advise him as to (1) the effective date of termination, (2) the performance to be discontinued, (3) any special directions as to the protection of Government property, and (4) any directions, which can then be given, with respect to the sale or retention by the contractor or the transfer to the Government of property acquired for the contract, and so on. The fact is stressed that contracting officers should avoid suspending performance of contracts while attempting to decide whether to terminate a particular contract. Experience has shown that this course results in confusion to the contractor, increased costs to the Government, and disorganization of the contractor's working forces and operations.

The contractor, upon receipt of the termination notice, is required to do the following:

1. Complete the continued portion of the contract and bring promptly to the attention of the contracting officer any requests for equitable adjustment in the terms and prices governing the portion of the contract which has not been terminated.

2. Discontinue the making of subcontracts and take all steps necessary to terminate all work as promptly as practicable on and after the effective date of the termination. Work done after a reasonable period has elapsed may not be used as the basis for any compensation or reimbursement of

costs in connection with the termination settlement.

3. Instruct all subcontractors to terminate their work and to pass along the same requirements to their immediate subcontractors and suppliers.

4. Use reasonable care to protect property in his possession in which the Government has, or may acquire, an interest.

5. Notify the contracting officer of any legal proceedings against the contractor, based upon any subcontract or commitment related to the terminated contract.

6. Develop and present to the contracting officer a program for the disposition of property acquired or produced for the purposes of the terminated contract, not only by the contractor himself but by the various tiers of subcontractors, and issue instructions through and to his immediate subcontractors as to the methods of carrying out such a program.

7. Prepare his inventory of property allocable to the contract, his statement of costs, and his proposal for settlement of the amounts due by reason of the termination, and take steps to obtain similar statements and proposals from his subcontractors and suppliers.

The claim of the contractor must show details as to the costs of raw materials, work in process, tools, dies, jigs, fixtures, administrative expense, and other costs. To that total is then added the contractor's profit, if any, for work done prior to termination. The sum total represents the total amount of the contractor's claim exclusive of subcontractors' claims. The contractor also is required to furnish similar tabulations of claims made by the subcontractors.

Wherever possible, the examination of proposed settlements is to be confined to an office review, by qualified accounting personnel, of each statement submitted by a contractor. If the contracting officer decides that some further examination of the contractor's proposed settlement should be made beyond the office review, the contractor may be requested to submit additional data or explanations in writing. If the contracting officer still is not satisfied, Government accounting personnel will be instructed to visit the contractor's plant to discuss the statement and make any necessary reference to the accounting records. If, in the contracting officer's opinion, an audit of the records is necessary, it will be made by the accounting personnel.

Where the contractor has made settlements in connection with other contract terminations, those settlements are to be reviewed by the accounting personnel for such information as may be pertinent to determine whether policies indicated are consistently followed and whether there is duplication of charges as between the individual statements.

The policy of the War Department is to decentralize administration of contract terminations as fully as possible, entrusting this to the chiefs of the several technical services. The extent to which they in turn will decentralize such administration is left to each technical service chief for decision, subject to appropriate regulations. By and large, the chiefs have delegated to their field offices the task of terminating contracts. This is to be done by those contracting officers who were in charge of negotiating and directing the work under the original contracts. Each district field office has set up a fiscal, legal, planning, inspection, commodity, and property branch responsible for its particular assignments. The Navy Department has a more centralized Washington control.

One large war contractor recently set up at its tank plant a full-time organization having jurisdiction of all aspects of termination. Containing representatives from the accounting, plant engineering, storekeeping, manufacturing, and legal departments, this group is to prepare an inventory for use in the preparation of claims.

Most war contracts contain termina-

Cement Mixer

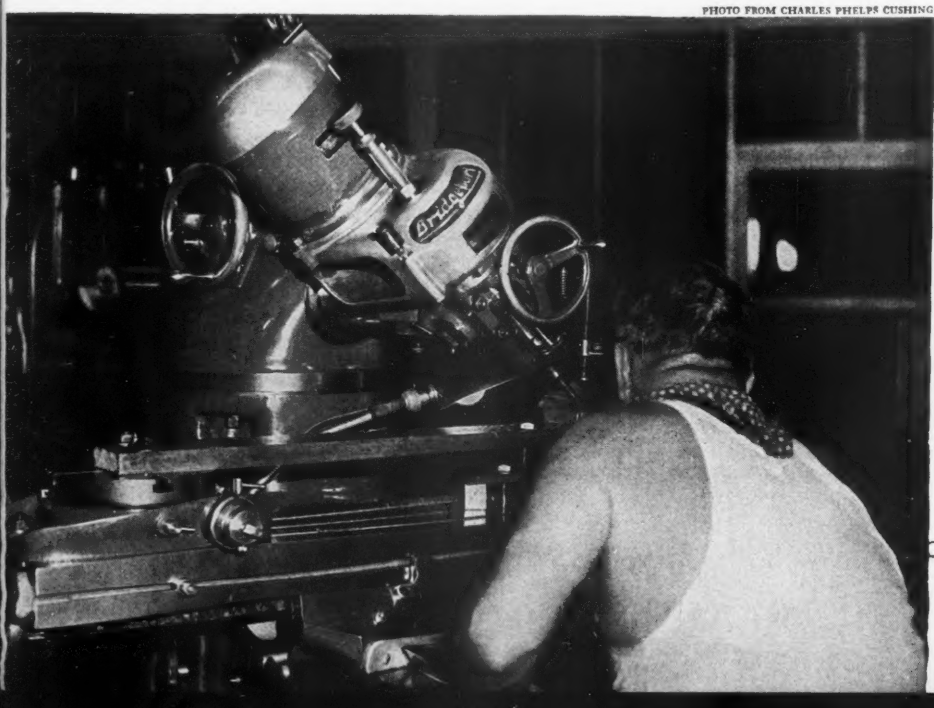
PHOTO FROM FREDERICK LEWIS

TIME and water in a pact
Hollow out the devil's tavern,
Freeze all fancy into fact
Stalagmite and stalactite
Build their columns of delight
Within the limestone cavern.

Behold the lesser alchemist
Who paves the paths men travel,
With water as a catalyst
Mountain sheer, and fountain clear
Out of the wilderness appear
Built of lime and gravel.

A. M. SULLIVAN

PHOTO FROM CHARLES PHELPS CUSHING



tion articles designed to permit the Government to cancel the contract and settle the damage in accordance with a standard formula incorporated therein. If a contract does not contain the standard termination provisions, the procurement regulations provide for amendment of the contract by mutual agreement and insertion of such formula, even after termination. Contracts containing no termination provisions present difficulties if the contractor does not agree to incorporate the standard provisions. The Army considers cancellation of such contracts a breach and action is to be taken accordingly in "unusual cases" and where all reasonable efforts to prevent the incurring of unnecessary expense for the Government have been exhausted. Contractors refusing to sign settlement agreements are directed by the regulations to present their damage claims to the General Accounting Office or to the courts for settlement.

However, the bulk of terminations to date have been settled upon a negotiated basis. Under such procedure, the representatives of the contractor and the contracting officer, together with the branches which have interests directly affected by the cancellation, meet and confer as to a proper or equitable settlement. After an agreement has been reached by the conferees and an audit report of the Fiscal Division has been completed, the proposed settlement sum usually is reviewed by the same awards board which originally placed the contract or recommended its placement. It is only after all these steps have been taken that a supplemental agreement or release is ready to be signed by the contracting officer and the contractor. In some cases, the negotiations may be carried out by correspondence. The procedure is not stereotyped and permits a wide range of expression and exchange of views.

It has been recognized that negotiated settlements have many advantages, among the chief being that the settlement is a result of conference and mutual agreement. Claims not susceptible of exact or scientific proof are compromised and adjusted on some common meeting ground. A further advantage is that technical accounting and detailed auditing procedures are reduced to the minimum consistent with the protection of the Government's interests. Finally, negotiated settlement permits the payment of partial, and in many cases, substantial amounts not only to the prime contractor but to the first subcontractor and eventually to the remotest subcontractor.

The War Department policy, as outlined in Army Procurement Regulations No. 15, provides that the chiefs of technical services are to pursue vigorous policies (1) of prompt partial settlements to prime contractors that they may make payments to subcontractors and (2) of making proper use of available advance payment balances to alleviate financial hardship pending final determination of claims. Such interim financing is deemed essential so as to provide ready working capital for carrying on or converting to other war work or, in post-war termination, for undertaking productive civilian work. As of June 1943, Army advance payments totalled $4,000,000,000 and guaranteeed "V" loans $3,592,343,014, under the authority of the First War Powers Act and Executive Order No. 9112.[1]

[1] For analysis of "V" loans, see "Let's Tackle the First Post-War Problem, Now" by Roy A. Foulke, DUN'S REVIEW, May 1943, page 7. Mr. Foulke reviewed the terms and advantages of "V" loans and offered suggestions for further provision to mitigate the economic shock of terminations. These suggestions closely resemble what eventually became the "VT" loan plan.

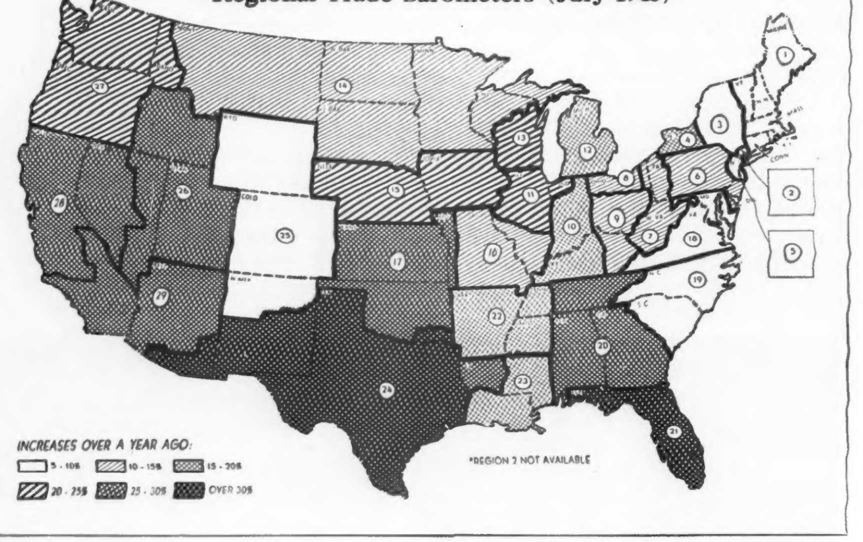
Procurement regulations of the Army prohibit contracting officers from making partial payments to any except prime contractors, but they may make such payments in trust through prime contractors for the benefit of specific subcontractors, intermediate or remote tiers of subcontractors, or suppliers. Under this procedure, a form of supplemental agreement has been worked out which is entered into by (1) the prime contractor, (2) the subcontractor who is to receive the partial payment, and (3) any intermediate subcontractors.

Parties to this agreement warrant that no set-offs or counterclaims are outstanding against the subcontractor who is to receive payment and that all parties will give releases for the benefit of the Government to the extent of the payment made, and will agree not to seek further reimbursement for this amount by reason of the cancellation. Usually, notice is given and written consent obtained from sureties or guarantors or instruments previously offered as security for such Goverment financ-

(Continued on page 28)

PHOTO FROM CHARLES PHELPS CUSHING

Regional Trade Barometers (July 1943)



Retail Sales

Seasonally Adjusted Index; 1935-1939 = 100; U. S. Dept. of Com.

	1940	1941	1942	1943
January	113.3	130.3	149.7	156.7
February	114.6	136.6	144.3	179.2
March	115.9	135.5	142.8	[illegible]
April	113.8	137[illegible]	141.[illegible]	156.8
May	116.0	[illegible].5	[illegible].5	156.8
June	117.5	139.0	140.5	162.4
July	117.1	144.7	146.2	163.3
August	[illegible]	153.8	151.5	161.3
September	115.4	139.8	146.1	
October	117.2	133.9	150.0	
November	123.4	142.0	155.0	
December	124.5	138.3	144.4	

Income Payments to Individuals

Seasonally Adjusted Index; 1935-1939 = 100; U. S. Dept. of Com.

	1940	1941	1942	1943
January	110.4	121.3	155.5	196.7
February	110.7	123.5	157.4	[illegible].0
March	110.4	125.4	159.3	204.9
April	110.8	128.2	163.3	208.0
May	112.4	133.7	165.[illegible]	208.7
June	112.5	138.9	[illegible]9.5	211.3
July	113.1	140.3	172.6	213.8
August	114.1	[illegible].2	176.0	215.3
September	115.6	144.4	177.9	
October	[illegible]	146.3	182.8	
November	117.7	147.5	189.4	
December	120.6	153.9	193.7	

THE *Underlying* TREND

Summary: Industrial production is levelling off at record heights despite acute labor shortages and material scarcities. Consumer buying continues high, with inventories in both retail and wholesale lines up slightly from recent months. Wholesale prices are now fairly stable.

DESPITE a shortage of labor which prevails in many lines, the high level of total industrial production continues to be well maintained at a new high for the second consecutive month. War expenditures totalled $6,895,000,000 in September, 26 per cent above September 1942 and 4 per cent below August, the second decline since February. In the third quarter of 1943, war expenditures were 40 per cent higher than in the third quarter of 1942.

A mildly slower pace marked retailing with dollar volume only moderately above the preceding months, compared with the sharp upturn in 1942's August sales. Wholesale markets were uncertain as Fall ordering fell off, with reordering taking up the bulk of activity. Price averages remained steady in September and the security markets continued relatively calm.

Industrial production seems to be levelling off at about twice the 1935-1939 output, with durable goods volume still growing and now at about three times the pre-war level. Increases in munitions output have been offset to some degree by declines in cement and lumber production. August munitions output increased 4 per cent over July, the largest increase since April; the level is now approximately seven times that of November 1941 (WPB). In August aircraft output of 7,612 planes was 3 per cent above July, with an increase of 7 per cent in the weight of those produced. Aircraft production in September was close to that of August. Vessels delivered in August totalled 164, an increase of 6 over the previous month, while September ship production totalled 160 vessels. Automobile plants continue their high output of war goods, with their aircraft production almost triple, and their tank and gun production about double last year's output. The shortage of manpower affects most manufacturing plants and is responsible to some extent for the failure of many war industries to reach anticipated production levels. While this limitation, along with material shortages, affected primary production to a lesser extent, finished goods lines felt these difficulties more acutely.

Steel ingot production totalling 7,488,978 tons hit a 30-day month record in September; the next previous record high month was March with a total tonnage of 7,670,187. Iron, lead, zinc, copper, and aluminum supplies are becoming tighter. Production of building materials and equipment was off partly because of the drop in war construction. The amount of lumber available continues considerably below demand, particularly in the West Coast region. Backlogs of deferred construction continue to mount to tremendous levels.

The gradual release of some raw materials for civilian uses is spreading through more fields of industry, yet the amounts involved are relatively small. Backlogs in many lighter goods lines remain large. Reports indicate that more of the smaller plants are being used for the manufacture of some essential civilian items. Industrial backlogs increased for the third consecutive month; unfilled orders in August rose 1 per cent above the previous month. Manufacturers' new orders, while fractionally up in the month, dropped to a level 11 per cent below the June high. The drop in new business in durable goods industries is due mostly to the large decline in machinery lines, although all other industries fell off somewhat. Total shipments in August rose 3 per cent over July, an all time high, as a result of the steady monthly increase in durable goods lines. Deliveries of nondurable goods gained 7 per cent during August. Increases were particularly large in food and textile industries.

Government officials are requesting that war contracts be placed in areas where the labor situation is not very acute. On the Pacific Coast, especially, serious attempts to reallocate war contracts are under way. Many of the contracts which have been reallocated are for products not used for aircraft and shipbuilding purposes. This change aids in the shift of essential workers into shipyards and aircraft industries.

Employment Levelling Off

For the first time since the United States entered the war, employment was estimated fractionally below the corresponding month of the previous year (U. S. Bureau of the Census). The number employed fell to 53,900,000 in August, a drop of 400,000 from July and 100,000 from a year ago; unemployed labor was figured at 1,000,000, a drop of 200,000 in the month. The decrease is attributed largely to military inductions, to the return of students to schools, and a change in the demand for different types of merchandise. Continuing upward, factory payrolls were three times as great as they were in August 1939.

Farm employment in August dropped about 2 per cent from a year ago and 6 per cent from July. Most areas declined, with the West North Central States falling off the most. The West Coast increased season-

ally (Department of Agriculture). Women comprised about 20 per cent of total employees on farms.

Although seasonal factors and the decline in dividend and interest payments pulled August dollar income payments totalling $11,658,000,000 to 1 per cent below the June high, they were 22 per cent over a year ago. The index, adjusted for seasonal variation, however, rose to a new high of 215.3, mostly as a result of the continued rise in war plant payrolls and farmers' income.

Total income payments to individuals amounting to $67,119,000,000 for the first six months of this year were 27 per cent above the $52,687,000,000 paid out in the same period last year. In the first half of 1943, gross savings, totalling $22,300,000,000, amounted to 33 per cent of income payments to individuals, 5 per cent more than in the first half of 1942 when gross savings of $14,600,000,000 accounted for 28 per cent. Consumer expenditures during the same period in 1943 amounted to $43,334,000,000 in comparison with $38,606,000,000 spent in the first six months of 1942. Although there was a 12 per cent increase in dollar expenditure, the proportion which expenditures were of income payments dropped by 8 per cent.

Despite the lack of adequate manpower, agricultural production continues upward to a new high. The increase in livestock production offsets the drop in food crops, with total food production for this year estimated at 4 per cent above last year's record output (U. S. Department of Agriculture). The drop in acreage yield was a contributing factor in bringing down food crop production. Partly because of military and lend-lease requirements, civilian per capita consumption of food for the year will fall close to the 1935-1939 average.

Commodity prices dropped fractionally in August, but were 4 per cent above a year ago. Indexes of farm products and foods were the only ones to register changes, with the drop in prices of fresh fruits and vegetables counteracting increases in eggs and flour. Prices of most industrial commodities remained steady.

The seasonally low prices of fresh produce were a contributing factor in lowering the cost of living for city workers in August. The downward movement for the third successive month brought the index down to 123.2, or 0.5 per cent below the previous month, 5 per cent above last year, and 22 per cent above the pre-war figure. Living costs in items other than food rose in the month.

Retail Activity Rises

Limited selection and the War Production Board's request to limit promotions helped to keep many retailers from realizing as great a seasonal increase in September as in previous years; after October 1 the seasonal pick-up was more pronounced. Gains over the high level of last year continued as cool weather stimulated greater interest in back-to-school wear and in Fall lines. Women's ready-to-wear stores reported the largest gains over last year of any retail lines. Installment sales are continuing to decline, with collections substantially above last year's levels.

Retail inventories rose again in August for the second consecutive month, with a percentage increase of 4 over July, after declining the three previous months. Stocks still continued 17 per cent below a year ago. A similar movement took place in wholesaling as inventories rose 1 per cent over July, but fell 11 per cent under last year.

Population changes in the nation, brought on by the war program have influenced retail trade to a large extent. The population in the 84 largest cities increased since the 1940 census. The greatest gains have occurred in the Pacific Coast States, some Southern States, Connecticut, and Massachusetts. Rural States in the Midwest suffered the largest losses. Twenty-four agricultural States had big declines. The gains in some war localities, however, have been offset by large losses brought on by men entering the armed services. The DUN'S REVIEW seasonally-adjusted index of trade on the following three pages offers evidence of these influences. Consumer buying in the Pacific Coast, South, and Southwest regions continues high, although it is beginning to level off somewhat.

Exports for the first seven months of 1943 totalled $7,963,000,000, 64 per cent above the corresponding 1942 period. The major part of the figure, however, comprises lend-lease shipments; shipments for the armed services are not included. This is the fourth successive month that the dollar value exceeded the billion dollar peak, according to the United States Bureau of the Census. Total exports for August of $1,205,000,000 were 4 per cent below July but 71 per cent over August 1942. Lend-lease volume of $1,050,507,000 in July was the highest monthly figure reached since March 1941, when lend-lease aid began. Imports of some scarce goods, such as spices, cocoa, and coffee are now more plentiful. General arrivals in August were 5 per cent above the previous month and 69 per cent over last year. General arrivals are at present larger than imports for consumption.

While redemptions of war bonds in August reached $152,000,000, increasing in September to $155,278,476, purchases of war bonds in September doubled those in August and reached $18,943,000,000 in October. This figure topped the $15,000,000,000 quota set for the Third War Loan Drive, and was 44 per cent above the April total. Purchases made by individuals amounted to $5,377,000,000; those made by corporations $12,936,000,000, and Government trust accounts $630,000,000.

Security markets remained steady during September and the first part of October, attributed partially to the Third War Bond Drive. Volume improved; prices remained firm. Preferred stocks retained their high standing and accounted for some of the new highs registered in industrials.

Industrial Production

Seasonally Adjusted Index: 1935-1939 = 100; Federal Reserve Board

	1940	1941	1942	1943
January	122	140	171	[illegible]
February	116	143	172	202
March	113	147	[illegible]	202
April	113	144	[illegible]	203
May	117	[illegible]	174	203
June	122	159	176	202
July	122	160	178	203
August	124	160	183	203
September	[illegible]	161	186	
October	131	164	190	
November	134	167	194	
December	138	167	197	

Employment

Millions of Persons; U. S. Bureau of Census

	1940	1941	1942	1943
January		45.3	48.9	51.0
February		45.7	49.4	50.9
March		45.8	50.9	51.0
April	45.1	46.8	50.7	51.2
May	46.3	48.5	[illegible]	[illegible]
June	47.6	[illegible]	53.3	53.4
July	[illegible]	50.9	54.0	54.3
August	47.7	51.0	54.0	53.9
September	47.9	50.3	52.4	
October	47.0	50.2	52.4	
November	46.3	50.2	52.8	
December	46.3	50.2	51.9	

Wholesale Commodity Prices

Index, 1926 = 100; U. S. Bureau of Labor Statistics

	1940	1941	1942	1943
January	79.4	80.8	96.0	101.9
February	78.7	80.6	96.7	102.5
March	78.4	81.5	97.6	103.4
April	78.6	83.2	98.7	[illegible]
May	78.4	84.9	[illegible]	104.1
June	77.5	[illegible]	98.6	103.8
July	77.7	[illegible]	98.7	103.2
August	[illegible]	90.3	99.2	102.9
September	78.0	91.8	99.6	
October	78.7	92.4	100.0	
November	79.6	92.5	100.2	
December	80.0	93.6	101.0	

Business Inventories

Billions of Dollars; U. S. Department of Commerce

	1940	1941	1942	1943
January	19.60	21.49	27.55	27.78
February	19.75	21.64	27.78	[illegible]
March	19.93	22.14	28.32	27.54
April	20.09	22.68	28.82	27.36
May	20.12	[illegible]	29.15	27.23
June	19.97	23.46	29.37	27.03
July	[illegible]	23.99	29.23	27.14
August	20.09	24.44	29.10	27.62
September	20.47	25.06	29.03	
October	20.88	24.92	28.84	
November	21.31	26.72	28.73	
December	21.20	27.08	28.03	

Cost of Living

Index: 1935-1939 = 100; U. S. Bureau of Labor Statistics

	1940	1941	1942	1943
January		100.8	112.0	120.7
February		100.8	112.9	121.0
March	99.8	101.2	114.3	122.8
April		102.2	115.1	124.1
May		102.9	116.0	[illegible]
June	100.5	104.6	[illegible]	124.8
July		[illegible]	116.9	123.8
August		106.2	117.4	123.2
September	100.4	108.1	117.8	
October	100.2	109.3	119.0	
November	100.1	110.2	119.8	
December	100.7	110.5	120.4	

Industrial Stock Prices

Monthly Average of Daily Index; Dow-Jones

	1940	1941	1942	1943
January	147.60	130.17	111.11	121.52
February	147.29	121.68	107.28	127.40
March	[illegible]	122.52	101.62	131.15
April	[illegible]	119.10	97.79	[illegible]
May	[illegible]	[illegible]	98.42	138.60
June	[illegible]	[illegible]	103.75	141.25
July	122.23	127.57	106.94	142.90
August	125.32	126.67	[illegible]	136.54
September	131.46	127.35	[illegible]	
October	132.39	121.18	113.51	
November	133.90	116.91	115.31	
December	130.45	110.67	117.16	

TRADE ACTIVITY—A REGIONAL SUMMARY

1. New England Region

JULY, 103.2 JUNE, 101.6 JULY 1942, 95.4

UNADJUSTED: JULY, 94.9; JUNE, 107.0

Although monthly gain was slightly larger than national average, yearly increase continues below country for third consecutive month. August—Portland wholesale trade about even with last year, Springfield off 15%, Boston off 5%. Potato crops exceptionally good. New England farm income in June, 34% above 1942. Collections remain better than a year ago. September—Boston department store sales 11% below last year. Industrial employment in Boston up about 19% over 1942, Lynn and Somerville up 14%, New Haven even. As vacation season nears end, resorts report exceptionally good returns for the Summer.

2. New York City Region*

August—Retail trade gains over last year narrowed; stocks were depleted further. Higher prices and heavy Fall reordering held wholesale volume up over last year, but markets were more quiet than usual. Employment and payrolls still record gains of about 11 and 24% over last year. Bridgeport employment levelling off, about 10% over 1942, Yonkers up 11%. Hotels report sales at boom levels, 39% over a year ago. Collections continue at a good rate, better than last year. September—New York department store sales 4% above last year. War plant payrolls off slightly. Women's garment trade well above 1942.

* Barometer figures not available.

3. Albany and Syracuse Region

JULY, 117.7 JUNE, 121.1 JULY 1942, 112.2

UNADJUSTED: JULY, 114.7; JUNE, 123.0

Yearly barometer increase remains below national gain for fifteenth consecutive month; decline from previous month compares unfavorably with country increase. August—Albany wholesale trade 25% higher than last year, Syracuse also up. Farm income in New York State during June up 40% over a year ago. Collections steady to better than 1942. September—Department store sales in Syracuse up 9% over 1942. Industrial employment in Albany levelling off, about 12% above 1942, Syracuse up 26%, Utica up 5%. New York honey crop production below 1942.

4. Buffalo and Rochester Region

JULY, 116.8 JUNE, 113.7 JULY 1942, 98.9

UNADJUSTED: JULY, 113.4; JUNE, 114.7

Monthly barometer gain above national average for third successive month; yearly gain remains below country. August—Buffalo wholesale trade up 4% over last year, Rochester up 1%. Collections continue generally better than a year ago. September—Buffalo department store sales 16% above last year, Rochester up 5%. Industrial employment in Buffalo up about 20% over last year, Rochester up 16% and levelling off. Buffalo flour production 6% above a year ago. Steel rate continues high, 105% of theoretical capacity.

5. Northern New Jersey Region

JULY, 104.7 JUNE, 99.0 JULY 1942, 99.0

UNADJUSTED: JULY, 95.1; JUNE, 105.9

Increase in monthly barometer picks up to a level above the nation for the first time in three months; yearly gain continues below country. August—Newark wholesale trade 4% above a year ago. New Jersey farm income in June 39% higher than last year. Collections steady to better than 1942. September—Newark department store sales 4% below last year. Industrial employment in Newark and Jersey City about 6% above 1942, Paterson up 10%, Elizabeth remains slightly above last year, after registering losses from February through July 1943.

6. Philadelphia Region

JULY, 107.2 JUNE, 103.9 JULY 1942, 95.3

UNADJUSTED: JULY, 96.5; JUNE, 111.9

Monthly barometer gain greater than country rise, yearly gain, however, continues below United States for third successive month. August—Philadelphia wholesale trade off 15% from a year ago. Pennsylvania farm income in June 22% above last year. Collections steady to better than last year. September—Department store sales in Philadelphia 2% above 1942. Industrial employment in Philadelphia levelling off about 11% higher than last year, Scranton up 6%, Wilmington up 36%. Philadelphia steel rate at 94% of theoretical capacity. New fiberglass plant in vicinity expands hiring.

7. Pittsburgh Region

JULY, 111.4 JUNE, 115.6 JULY 1942, 101.1

UNADJUSTED: JULY, 102.1; JUNE, 127.3

Monthly barometer registers considerable decline in comparison with country rise; yearly gain continues low, about one-half the national increase. August—Pittsburgh wholesale trade 10% above last year, Charleston up 8%, Erie up 2%. Delaware farm income in June 129% above a year ago. Collections steady to better than 1942. September—Department store sales in Pittsburgh 1% above last year. Industrial employment in Pittsburgh levelling off, about 9% over 1942, Erie up 5%, Youngstown about even. Pittsburgh steel rate at 103% of capacity, Youngstown at 98%. New synthetic rubber plant begins operations.

8. Cleveland Region

JULY, 146.0 JUNE, 148.2 JULY 1942, 127.1

UNADJUSTED: JULY, 132.9; JUNE, 146.7

Decline in monthly barometer pulls regional change below country increase for first time since last March; yearly gain remains below national average. August—Cleveland wholesale trade up 5% over last year, Akron up 10%, Toledo up 14%. Collections generally better than 1942. September—Toledo department store sales 24% above last year, Cleveland up 20%. Industrial employment in Toledo levelling off, about 17% above a year ago, Akron up 29%, Cleveland up 16%. Steel rate in Cleveland area 100% of theoretical capacity. Sizable expansion of rayon plant in area doubles production of tire yarn.

9. Cincinnati and Columbus Region

JULY, 149.4 JUNE, 148.5 JULY 1942, 130.9

UNADJUSTED: JULY, 134.4; JUNE, 150.1

Fractional gain in monthly barometer but less than country increase; yearly gain remains smaller than average rise for United States. August—Cincinnati wholesale trade up 7% above a year ago, Columbus off 10%. Farm income in Ohio during June 23% above the comparable period of 1942. Collections generally steady to better than the previous year. September—Department store sales in Columbus 36% above last year, Cincinnati up 27%. Industrial employment levelling off at gains of about 22% in Cincinnati, 23% in Columbus and Dayton.

10. Indianapolis and Louisville Region

JULY, 177.4 JUNE, 169.9 JULY 1942, 150.8

UNADJUSTED: JULY, 162.1; JUNE, 174.2

Increase in monthly barometer well above country gain; yearly change slightly less than national rise. August—Louisville wholesale trade down 10% from a year ago, Indianapolis up 6%. Indiana farm income in June 19% above last year, Kentucky up 42%. Collections steady to better than last year. September—Department store sales in Louisville 23% higher than a year ago, Indianapolis up 30%. Industrial employment in Evansville levelling off at figures nearly triple last year, Fort Wayne up 18%, Indianapolis up 29%, Louisville up 26%.

11. Chicago Region

JULY, 120.7 JUNE, 113.9 JULY 1942, 99.8

UNADJUSTED: JULY, 109.7; JUNE, 118.3

Increase in monthly barometer second largest in nation; yearly gain greater than country for first time since last February. August—Chicago wholesale trade 5% above last year. Illinois farm income in June 21% above 1942. Collections generally better than 1942. September—Department store sales in Chicago 14% above 1942. Chicago industrial employment up about 14% above 1942, Peoria up 9%, South Bend up 27%; payrolls in Illinois continuing upward. Chicago steel rate at 99% of capacity. Crude oil production for Illinois 21% below last year.

12. Detroit Region

JULY, 172.6 JUNE, 156.9 JULY 1942, 148.7

UNADJUSTED: JULY, 148.4; JUNE, 158.5

Largest monthly barometer gain registered here; yearly increase less than country rise for first time in more than a year. August—Detroit wholesale trade 10% higher than 1942, Grand Rapids up 20%. Michigan farm income in June 37% above a year ago. Collections continue better than a year ago. September—Department store sales in Detroit 8% below the previous year. Industrial employment in Grand Rapids levelling off about 15% over 1942 figures, Detroit up 34%, Flint up 35%. Detroit steel rate at 103% of theoretical capacity.

U. S. and Regional

Seasonally adjusted; 1928-1932 = 100; compiled

Region	July 1943	Change from July '42 %	Change from June '43 %
U. S.	132.2	+18.7	+ 1.3
1. New England	103.2	+ 8.2	+ 1.6
2. New York City	*	*	*
3. Albany, Syracuse	117.7	+ 4.9	— 2.8
4. Buffalo, Rochester	116.8	+18.1	+ 2.7
5. Northern New Jersey	104.7	+ 5.8	+ 5.8
6. Philadelphia	107.2	+12.5	+ 3.2
7. Pittsburgh	111.4	+10.2	— 3.6
8. Cleveland	146.0	+14.9	— 1.5
9. Cincinnati, Columbus	149.4	+14.1	+ 0.6
10. Indianapolis, Louisville	177.4	+17.6	+ 4.4
11. Chicago	120.7	+20.9	+ 6.0
12. Detroit	172.6	+16.1	+10.0
13. Milwaukee	151.6	+24.9	— 4.5
14. Minneapolis, St. Paul	128.9	+12.5	— 3.1

THE BAROMETERS

The barometers are composite indexes of trade activity compiled by Dr. L. D. H. Weld, Director of Research, McCann-Erickson, Inc.; the monthly average for the years 1928-1932 inclusive equals 100. In each paragraph the indexes on the first line are adjusted for seasonal variation; the unadjusted figures are shown on the second line. References in the paragraphs are to the adjusted indexes. A map showing the relative changes in trade by regions as indicated by the barometers is on the second preceding page. Indexes may be obtained in advance of their publication in Dun's Review by special arrangement with the editor.

THE SUMMARIES

The material in the paragraph summaries covers the month of August and first full week of Sep-

1. NEW ENGLAND

Bangor	*+12*	+12
Boston	*+ 9*	+13
Brockton		— 5
Burlington		+25
Fall River		+ 9
Hartford	*— 6*	+17
Holyoke		+13
Lowell		+12
Lynn		+ 6
Manchester	*— 4*	+ 7
New Bedford	*+ 1*	+ 9
New Haven	*+ 7*	+27
Portland	*+ 8*	—16
Providence	*+ 3*	— 5
Springfield	*+ 4*	+14
Waterbury		+23
Worcester	*+11*	+13

2. NEW YORK CITY

Bridgeport	*—10*	+16
New York City	*+ 5**	+16
Stamford		+12

*Department stores only.

3. ALBANY AND SYRACUSE

Albany	*+10*	+ 1
Binghamton	*+12*	+ 9
Poughkeepsie		+22
Syracuse	*+ 5*	0
Utica	*+ 3*	+ 5

4. BUFFALO AND ROCHESTER

Buffalo	*+12*	+15
Elmira	*— 6*	+12
Jamestown		+15
Rochester	*+ 2*	+16

5. NORTHERN NEW JERSEY

Jersey City		+16
Montclair		+11
Newark	*— 5*	+16
Passaic		— 1

6. PHILADELPHIA

Allentown	*— 1*	+18
Altoona		+ 8
Camden		+ 4
Chester		+47
Harrisburg	*— 2*	+24
Hazleton		0
Johnstown		— 7
Lancaster	*+16*	+22
Lebanon		+22
Norristown		+ 2
Philadelphia	*+ 4*	+19
Reading	*+ 7*	+11
Scranton	*+15*	+11
Trenton	*+ 8*	+29
Wilkes-Barre	*+ 8*	+ 9
Williamsport	*— 4*	—17
Wilmington	*+ 8*	+12
York	*— 3*	+12

7. PITTSBURGH

Butler		+18
Charleston	*+ 5*	+ 7
Erie	*+ 7*	+20
Franklin		+ 1
Greensburg		+ 7
Homestead		— 2
Huntington	*+ 8*	—17
Oil City		+12
Pittsburgh	*+ 5*	+15
Sharon		+ 3
Warren		— 1
Wheeling		+16
Youngstown	*+12*	+16

8. CLEVELAND

Akron	*+10*	+25
Canton	*+15*	+14
Cleveland	*+ 5*	+23
Hamilton		+ 6
Lima	*— 2*	+10
Lorain		+15
Toledo	*+ 8*	+ 7

9. CINCINNATI AND COLUMBUS

Cincinnati	*+ 6*	+ 5
Columbus	*+18*	+ 5
Dayton		+18
Lexington		— 2
Middletown		+ 2
Springfield		+22
Steubenville		+16
Zanesville		+27

10. INDIANAPOLIS AND LOUISVILLE

Evansville	*+42*	+50
Fort Wayne	*— 3*	+13
Indianapolis	*+14*	+20
Louisville	*+10*	+ 8
Owensboro		+ 6
Terre Haute	*+ 2*	+11

11. CHICAGO

Aurora		+ 6
Bloomington		+10
Champaign-Urbana		— 8
Chicago	*+10*	+15
Danville		+23
Decatur		— 4
Elgin		+ 7
Gary		+13
Hammond		+18
Moline		+13
Peoria	*+ 2*	+ 1
Rockford	*+ 7*	+16
South Bend	*+10*	+ 0
Springfield	*+ 7*	+ 6

Trade Barometer

for Dun's Review *by Dr. L. D. H. Weld*

Region	July 1943	Change from July '42 %	Change from June '43 %
15. Iowa, Nebraska	120.4	+22.1	− 8.7
16. St. Louis	129.7	+10.1	+ 4.7
17. Kansas City	145.4	+27.8	− 5.0
18. Maryland, Virginia	167.3	+ 9.1	+ 2.8
19. North, South Carolina	180.4	+ 7.4	− 8.0
20. Atlanta, Birmingham	211.6	+27.9	+ 4.9
21. Florida	234.3	+45.7	− 5.5
22. Memphis	157.5	+17.2	− 9.3
23. New Orleans	162.2	+19.4	− 1.3
24. Texas	213.0	+36.8	0.0
25. Denver	146.6	+ 8.0	− 6.9
26. Salt Lake City	160.1	+25.5	− 4.9
27. Portland, Seattle	176.2	+23.6	− 3.9
28. San Francisco	157.6	+28.0	+ 1.5
29. Los Angeles	152.2	+28.0	+ 2.5

* *Unavailable.*

tember. The estimates of trade changes and other reports in the paragraphs are based upon opinions and comments of business men in various lines of trade, gathered and weighed by local Dun & Bradstreet offices. Department store sales figures are from the Federal Reserve Board; payroll and employment figures are from State Labor Departments and the U. S. Bureau of Labor Statistics.

CITY LIST

How trade activity in August compared with that of a year ago is indicated generally for 292 cities throughout the country by these two sets of figures: spot estimates of retail sales (left, in italic) from local Dun & Bradstreet offices; check transactions (on the right) from bank debits published by the Federal Reserve Board. The figures shown are percentage increases or decreases in August over the same month last year.

12. DETROIT

Adrian		+27
Battle Creek		+32
Bay City		+ 6
Detroit	*+ 8*	+28
Flint		+29
Grand Rapids	*+20*	+17
Jackson		+36
Kalamazoo		0
Lansing		+32
Saginaw	*+10*	+ 2

13. MILWAUKEE

Green Bay	*+ 8*	+13
Manitowoc		+26
Milwaukee	*+20*	+19
Oshkosh		+ 1
Sheboygan		+14

14. MINNEAPOLIS AND ST. PAUL

Aberdeen		+34
Billings	*+17*	+19
Bismarck		+31
Butte	*+ 2*	+ 4
Dickinson		+15
Duluth	*+20*	+23
Eau Claire		−10
Fargo	*+15*	+ 7
Grand Forks		+44
Great Falls		+ 9
Helena		+ 3
Ironwood		0
Jamestown		+ 8
La Crosse	*+23*	+25
Marquette		+35
Mankato		+12
Minneapolis	*+10*	+32
Minot		+22
Red Wing		+22
Rochester		+49
St. Cloud		+17
St. Paul	*+13*	+35
Sioux Falls	*+10*	+16
So. St. Paul		+12
Superior		+14
Winona		+21

15. IOWA AND NEBRASKA

Cedar Rapids	*−10*	+11
Clinton		+ 6
Davenport	*− 2*	+18
Des Moines	*+19*	+ 8
Dubuque	*+15*	+ 9
Fremont		+18
Lincoln	*+12*	+16
Mason City		+10
Muscatine		+ 7
Omaha	*+25*	+32
Sioux City	*+ 8*	+23
Waterloo	*+20*	+ 6

16. ST. LOUIS

East St. Louis		+ 1
Quincy		+20
St. Louis	*+ 3*	+10
Sedalia		+18
Springfield	*+20*	+14

17. KANSAS CITY

Atchison		+31
Bartlesville		+ 9
Emporia		+20
Enid		+17
Guthrie		+17
Hutchinson		+18
Independence		+20
Joplin		0
Kansas City	*+12*	+25
Lawrence		+16
Muskogee		+25
Oklahoma City	*+40*	+ 7
Okmulgee		+76
Pittsburg		+14
St. Joseph	*+30*	+33
Salina		+ 5
Topeka	*+19*	+14
Tulsa	*+30*	+20
Wichita	*+18*	+38

18. MARYLAND AND VIRGINIA

Baltimore	*+ 8*	+12
Bristol	*+ 5*	
Cumberland		+28
Danville		− 2
Hagerstown		+13
Lynchburg	*+20*	+ 9
Newport News		+21
Norfolk	*+15*	+ 6
Portsmouth		+ 9
Richmond	*+ 8*	+15
Roanoke	*+20*	+ 6
Washington	*+ 8*	+12

19. NORTH AND SOUTH CAROLINA

Asheville		+ 7
Charleston	*+15*	+ 7
Charlotte	*+ 5*	−12
Columbia	*+23*	+20
Durham		+ 6
Greensboro	*+25*	+10
Greenville	*+10*	+49
Raleigh	*+ 5*	+12
Spartanburg		0
Wilmington	*+15*	+27
Winston-Salem	*+15*	+32

20. ATLANTA AND BIRMINGHAM

Albany		+ 5
Atlanta	*+23*	+15
Augusta	*+20*	+ 5
Birmingham	*+15*	+ 2
Brunswick		+96
Chattanooga	*+40*	+ 6
Columbus	*+15*	+11
Dothan		+ 4
Elberton		+13
Knoxville	*+35*	+58
Macon	*+18*	+25
Mobile	*+ 5*	− 1
Montgomery		+ 8
Nashville	*+10*	+20
Newnan		+22
Savannah	*+25*	+36
Valdosta		+23

(Continued on next page)

BAROMETERS FOR TWENTY-NINE REGIONS

13. Milwaukee Region

JULY, 151.6 JUNE, 158.8 JULY 1942, 121.4

UNADJUSTED: JULY, 144.6; JUNE, 162.2

Monthly decline brings regional barometer well below country; yearly increase considerably above national average. August—Milwaukee wholesale trade up 5% over last year, Green Bay off 15%. Wisconsin farm income in June 29% above 1942. Collections generally better than previous year. September—Department store sales in Milwaukee 3% below 1942. Industrial employment in Milwaukee about 10% higher than a year ago, and levelling off. Cherry crop off 75% from 1942's production; milk output also somewhat below last year.

14. Minneapolis and St. Paul Region

JULY, 128.9 JUNE, 133.0 JULY 1942, 114.6

UNADJUSTED: JULY, 130.3; JUNE, 143.3

Monthly barometer decline unfavorable in comparison with country rise; yearly gain also less than country increase. August—Minneapolis wholesale trade up 20% over a year ago, Duluth up 10%. Minnesota farm income in June 28% above 1942, Montana up 19%, North and South Dakota up 51 and 44% respectively. Collections continue better than previous year. September—Montana retail trade maintained at levels well above 1942. Industrial employment in St. Paul up about 24% over 1942, Minneapolis up 36%, Duluth up 33%; all levelling off. Minneapolis flour production 22% higher than last year.

15. Iowa and Nebraska Region

JULY, 120.4 JUNE, 131.9 JULY 1942, 98.6

UNADJUSTED: JULY, 116.6; JUNE, 130.3

Second largest decline in monthly barometer registered here; yearly gain continues greater than country for seventh consecutive month. August—Sioux City wholesale trade 20% above 1942, Des Moines and Omaha up 15%. Iowa farm income in June 28% above last year, Nebraska up 32%. Collections continue generally steady to better than 1942. September—Nebraska department store sales up 15% over last year. Industrial employment in Omaha up about 30%, Des Moines continues to soar about 60% above last year. Iowa corn production at record levels. Sheep livestock marketing largest in more than 20 years.

16. St. Louis Region

JULY, 129.7 JUNE, 123.9 JULY 1942, 117.8

UNADJUSTED: JULY, 111.3; JUNE, 127.5

Increase in monthly barometer compares favorably with national average; yearly gain considerably below country for eleventh successive month. August—St. Louis wholesale trade 5% higher than last year. Missouri farm income in June 29% above a year ago. Collections generally better than previous year. September—Department store sales in St. Louis 12% higher than last year. Industrial employment in St. Louis levelling off about 20% over 1942. St. Louis steel production running at 107% of theoretical capacity. Serious drought conditions greatly hamper all crops.

17. Kansas City Region

JULY, 145.4 JUNE, 153.1 JULY 1942, 113.8

UNADJUSTED: JULY, 138.3; JUNE, 143.9

Monthly barometer declines; yearly increase remains greater than national rise. August—Kansas City wholesale trade 15% above 1942, Oklahoma City up 10%. Oklahoma farm income in June 18% above last year. Oklahoma crops severely affected by recent drought. Collections generally better than last year. September—Tulsa department store sales up 43% over 1942, Oklahoma City up 47%, St. Joseph up 42%, Kansas City up 21%. Industrial employment levelling off at gains of about 11% over a year ago in Kansas City, more than double in Tulsa. Kansas crude oil production 7% above last year, Oklahoma off 12%.

18. Maryland and Virginia Region

JULY, 167.3 JUNE, 162.7 JULY 1942, 153.3

UNADJUSTED: JULY, 147.4; JUNE, 163.2

Monthly barometer gain about double the nation; yearly increase considerably less than country after gaining last month. August—Baltimore wholesale trade 8% above last year, Norfolk up 5%, Richmond up 2%. Farm income in Maryland during June 53% above 1942, Virginia up 42%. Collections steady to better than a year ago. September—Department store sales in Baltimore 12% higher than last year. Baltimore employment about 15% higher than comparable period of last year and levelling off, Richmond even with 1942.

19. North and South Carolina Region

JULY, 180.4 JUNE, 196.0 JULY 1942, 168.0

UNADJUSTED: JULY, 160.0; JUNE, 181.3

Decline in monthly barometer third largest in nation; yearly rise smaller than country for fifth successive month. August—Charleston wholesale trade 15% above a year ago, Wilmington and Winston-Salem up 10%. North Carolina farm income in June rose to 62% above 1942, South Carolina up 16%. Collections generally better than the previous year. September—Charleston bank clearings 3% lower than last year. Retail trade continues at levels well above a year ago; large gains in smaller cities and towns. Industrial employment and payrolls continue above 1942, but levelling off considerably.

20. Atlanta and Birmingham Region

JULY, 211.6 JUNE, 201.7 JULY 1942, 165.4

UNADJUSTED: JULY, 184.4; JUNE, 190.1

Monthly barometer gain continues well above country for fourth month; yearly increase also remains greater than country. August—Atlanta wholesale trade 30% above a year ago, Birmingham up 20%, Nashville up 10%. Georgia farm income in June up 28% over 1942, Alabama up 8%. Collections steady to better than a year ago. September—Atlanta department store sales up 39% over last year, Nashville up 53%. Industrial employment in Atlanta levelling off about 5% above 1942, Chattanooga up 12%, Nashville up 8%, Knoxville and Birmingham off.

21. Florida Region

JULY, 234.3 JUNE, 247.9 JULY 1942, 160.8

UNADJUSTED: JULY, 200.8; JUNE, 204.8

Decline in monthly barometer pulls regional figure well below country for first time since December 1942; yearly increase greatest in nation. August—Tampa wholesale trade 18% above last year, Jacksonville up 15%. Florida farm income in June 45% above a year ago; considerably higher than national average. Collections continue steady to better than a year ago. September—Miami department store sales 33% higher than last year. Retail trade in smaller towns considerably above 1942. Industrial employment in Jacksonville about double 1942 figures, but levelling off; Miami up 11%, Tampa up 70%.

22. Memphis Region

JULY, 157.5 JUNE, 173.6 JULY 1942, 134.4

UNADJUSTED: JULY, 142.1; JUNE, 157.0

Largest monthly barometer decline registered here; year-to-year increase slightly less than country gain. August—Memphis wholesale trade 15% higher than 1942. Farm income in Tennessee for June 46% above a year ago, Arkansas up 27%. Severe drought in area greatly hindered crop output. Collections continue steady to better than a year ago. September—Department store sales in Memphis 33% higher than last year, Little Rock up 40%. Industrial employment in Memphis up about 27% over 1942. Arkansas crude oil production 6% greater than last year.

23. New Orleans Region

JULY, 162.2 JUNE, 164.4 JULY 1942, 135.8

UNADJUSTED: JULY, 143.6; JUNE, 154.7

Slight decline in monthly barometer; fractional yearly increase keeps regional change greater than country gain for third successive month. August—Jackson wholesale trade 20% above a year ago. Farm income in Louisiana during June 22% above 1942; Mississippi registers 8% gain, one of smallest in country. Collections continue generally better than a year ago. September—Louisiana retail store sales continue to show good gains over 1942. Industrial employment in New Orleans levelling off at a gain of about 12% over the previous year. Louisiana crude oil output 7% above 1942.

24. Texas Region

JULY, 213.0 JUNE, 212.9 JULY 1942, 155.7

UNADJUSTED: JULY, 184.6; JUNE, 202.2

Barometer even with a month ago as yearly increase, now at 37%, continues upward. August—Dallas wholesale trade 20% above 1942, Houston up 35%, San Antonio up 10%, Fort Worth up 12%, Shreveport up 20%. Texas farm income in June up 18% over 1942. Collections continue generally steady to better than last year. September—Dallas department store sales 55% above a year ago, San Antonio up 29%, Houston up 49%, Fort Worth up 34%. Texas crude oil production 35% ahead of 1942. Industrial employment levelling off in most cities; Dallas up about 53% above a year ago, Houston up 56%, El Paso and San Antonio off.

BAROMETERS FOR TWENTY-NINE REGIONS

25. Denver Region

JULY, 146.6   JUNE, 157.4   JULY 1942, 135.7

UNADJUSTED: JULY, 135.4; JUNE, 158.2

Considerable decline in monthly barometer; yearly gain also small, pulling both figures below average for first time in three months. AUGUST—Denver wholesale trade 12% higher than last year. Farm income in Colorado during June 24% higher than a year ago, New Mexico up 37%. Colorado shipments of fruits and vegetables about 90% better than 1942. Collections continue generally better than last year. SEPTEMBER—Denver department store sales 16% higher than 1942. Industrial employment in Denver levelling off at a gain of about 8% above 1942.

26. Salt Lake City Region

JULY, 160.1   JUNE, 168.3   JULY 1942, 127.6

UNADJUSTED: JULY, 145.4; JUNE, 166.4

Decline in monthly barometer well below country gain; yearly increase however continues considerably better than national average, which has been true for more than a year. AUGUST—Salt Lake City wholesale trade 8% below a year ago. Farm income in Utah during June up 16% over 1942, Idaho up 19%. Collections continue generally better than last year. SEPTEMBER—Department store sales in Salt Lake City 14% above a year ago. Industrial employment in Salt Lake City levelling off at a gain of about 10% over the previous year.

27. Portland and Seattle Region

JULY, 176.2   JUNE, 183.4   JULY 1942, 142.5

UNADJUSTED: JULY, 168.9; JUNE, 180.8

Although barometer declined considerably from last month, annual increase continues greater than country. AUGUST—Seattle wholesale trade even with last year, Portland down 5%. Washington farm income in June records gain of 40% over 1942, well above country average; Oregon up 17%. Crop harvesting hindered by lack of labor. Fish pack return favorable. Collections steady to better than 1942. SEPTEMBER—Portland department store sales 5% below 1942. Industrial employment in Portland about 53% above a year ago, Spokane down 7%. Log situation eased; labor scarcity holds lumber output below 1942.

28. San Francisco Region

JULY, 157.6   JUNE, 155.2   JULY 1942, 123.1

UNADJUSTED: JULY, 143.2; JUNE, 150.2

Barometer monthly gain about equal to national average; annual increase continues to record excellent gains, considerably larger than country. AUGUST—San Francisco wholesale trade 10% over 1942. Fruit crops moving well, canners operating at top capacity. Collections generally better than a year ago. SEPTEMBER—Department store sales in San Francisco 15% above previous year, Oakland up 5%. Industrial employment in San Francisco about 44% above 1942, Oakland up 13%. Walnut, grape, and raisin crop output up, other deciduous fruits below 1942. Further heavy industrial expansion in Oakland area.

29. Los Angeles Region

JULY, 152.2   JUNE, 148.5   JULY 1942, 118.9

UNADJUSTED: JULY, 140.7; JUNE, 143.5

Barometer monthly gain continues slightly greater than average, year-to-year increase also larger than nation. AUGUST—Los Angeles wholesale trade 16% above a year ago. California farm income in June up 27% over 1942, Arizona up 28%. Arizona cattle industry benefited by improved range conditions; livestock receipts, however, run under last year. Collections better than 1942. SEPTEMBER—Los Angeles department store sales 13% above a year ago. Industrial employment in Los Angeles about 33% over last year. Arizona fruit and vegetable crop output under 1942; labor shortage partially responsible.

How trade activity in August compared with that of a year ago is indicated generally by the figures below. The figures for percentage changes shown below are for: retail trade (left, in italic) and check transactions (right).

21. FLORIDA

Jacksonville	*+30*	+32
Miami	*+25*	+50
Pensacola		+30
Tampa	*+45*	+35

22. MEMPHIS

El Dorado		+ 1
Fort Smith		+25
Greenville		+15
Helena		+31
Little Rock	*+23*	— 4
Memphis	*+20*	+10
Pine Bluff		—47
Texarkana		+ 6

23. NEW ORLEANS

Hattiesburg		+ 5
Jackson	*+25*	+ 8
Meridian		—22
New Orleans		+15
Vicksburg		+29

24. TEXAS

Abilene		+ 7
Amarillo	*—10*	+14
Austin		0
Beaumont		+39
Corsicana		+38
Dallas	*+30*	+ 9
El Paso	*+25*	— 4
Fort Worth	*+27*	+35
Galveston		+19
Houston	*+35*	+22
Lubbock	*+12*	+23
Port Arthur		+18
Roswell		+26
San Antonio	*+20*	+13
Shreveport	*+15*	+ 3
Texarkana		+ 8
Tucson		+14
Tyler		+35
Waco	*+30*	— 4
Wichita Falls	*+20*	+10

25. DENVER

Albuquerque	*+15*	+ 9
Casper		+ 8
Cheyenne		+14
Colorado Springs		—22
Denver	*+10*	+ 4
Grand Junction		+57
Pueblo		—23

26. SALT LAKE CITY

Boise		+ 3
Ogden		— 1
Salt Lake City	*+25*	+10

27. PORTLAND AND SEATTLE

Bellingham		+23
Fugene		+21
Everett		+38
Portland	*+25*	+33
Salem		+10
Seattle	*+14*	+21
Spokane	*+25*	+ 4
Tacoma	*+15*	+14
Walla Walla		+21
Yakima		+29

28. SAN FRANCISCO

Bakersfield		+13
Berkeley		+39
Fresno	*+35*	+39
Oakland		+50
Reno		— 1
Sacramento	*+19*	+29
San Francisco	*+17*	+23
San Jose		+34
Stockton		+27

29. LOS ANGELES

Long Beach		+40
Los Angeles	*+17*	+27
Pasadena		+35
Phoenix	*+23*	+30
San Bernardino		+69
San Diego	*+ 8*	+35
Santa Barbara		+33

SIGNIFICANT BUSINESS INDICATORS

COMPILED BY THE STATISTICAL STAFF OF "DUN'S REVIEW"

More detailed figures appear in "DUN'S STATISTICAL REVIEW." Back figures available upon request.

Wholesale Food Price Index

The Index is the sum of the wholesale price per pound of 31 commodities in general use.

1943		1942	
Oct. 26	$4.03	Oct. 27	$3.91
Oct. 19	4.07	Oct. 20	3.91
Oct. 12	4.06	Oct. 13	3.87
Oct. 5	4.05	Oct. 6	3.88
Sept. 28	4.05	Sept. 29	3.86
Sept. 21	4.06	Sept. 22	3.84
Sept. 14	4.06	Sept. 15	3.82
Sept. 7	4.06	Sept. 8	3.81
Aug. 31	4.06	Sept. 1	3.81
Aug. 24	4.05	Aug. 25	3.80
Aug. 17	4.04	Aug. 18	3.78
Aug. 10	4.04	Aug. 11	3.76
Aug. 3	4.04	Aug. 4	3.74
July 27	4.03	July 28	3.72
July 20	4.03	July 21	3.71
July 13	4.06	July 14	3.69
July 6	4.05	July 7	3.68
June 29	4.05	June 30	3.68
June 22	4.04	June 23	3.66
June 15	4.04	June 16	3.67
June 8	4.05	June 9	3.66
June 1	4.11	June 2	3.66
May 25	4.11	May 26	3.68
May 18	4.12	May 19	3.69
May 11	4.10	May 12	3.68
May 4	4.11	May 5	3.68
Apr. 27	4.11	Apr. 28	3.68
Apr. 20	4.09	Apr. 21	3.66
Apr. 13	4.10	Apr. 14	3.65
Apr. 6	4.10	Apr. 7	3.63
Mar. 30	4.10	Mar. 31	3.60

	HIGH		LOW	
1943	May 18	$4.12	Jan. 12	$4.03
1942	Dec. 22	4.02	Jan. 6	3.45
1941	Dec. 30	3.43	Jan. 7	2.50
1940	Dec. 10	2.49	June 18	2.18
1939	Sept. 19	2.46	Aug. 15	2.13
1937	Mar. 16	3.01	Dec. 28	2.56
1933	July 18	2.08	Jan. 31	1.49
1929	Feb. 28	3.52	Dec. 12	3.11
1919	July 31	5.30	Feb. 13	4.58

Building Permit Values—215 Cities

	August 1943	August 1942	% Change	July 1943	% Change
New England	$3,546.365	$2,899,509	+22.3	$4,525,328	—21.6
Middle Atlantic	6,204,837	5,789,042	+ 7.2	6,254,403	— 0.8
South Atlantic	7,189,097	9,549,401	—24.7	5,274,374	+36.3
East Central	13,059,338	15,672,822	—16.7	9,692,666	+34.7
South Central	4,603,623	3,171,035	+45.2	5,006,751	— 8.1
West Central	1,727,599	2,715,251	—36.4	1,475,603	+17.1
Mountain	1,001,951	762,643	+31.4	1,668,542	—40.0
Pacific	12,368,956	12,387,380	— 0.1	12,481,574	— 0.9
Total U. S.	$49,701,766	$52,947,083	— 6.1	$46,379,241	+ 7.2
New York City	$919,475	$1,555,627	—40.9	$1,346,611	—31.7
Outside N. Y. C.	$48,782,291	$51,391,456	— 5.1	$45,032,630	+ 8.3

Bank Clearings for Individual Cities

(Thousands of Dollars)

	August 1943	August 1942	% Change	July 1943	% Change
Boston	1,306,633	1,250,834	+ 4.5	1,455,217	—10.2
Philadelphia	2,677,000	2,380,000	+12.5	2,732,000	— 2.0
Buffalo	246,321	214,800	+14.7	260,694	— 5.5
Pittsburgh	902,488	888,554	+ 1.6	1,047,033	—13.8
Cleveland	877,134	762,713	+15.0	936,106	— 6.3
Cincinnati	419,625	400,396	+ 4.8	467,773	—10.3
Baltimore	617,143	525,812	+17.4	627,602	— 1.7
Richmond	316,379	270,710	+16.9	303,338	+ 4.3
Atlanta	528,200	426,900	+23.7	541,400	— 2.4
New Orleans	382,298	274,435	+39.3	350,704	+ 9.0
Chicago	1,867,619	1,678,552	+11.3	2,095,603	—10.9
Detroit	1,439,862	1,197,756	+20.2	1,446,436	— 0.5
St. Louis	683,616	580,080	+17.8	695,409	— 1.7
Louisville	270,402	243,799	+10.9	285,903	— 5.4
Minneapolis	608,048	432,799	+40.4	585,406	+ 3.9
Kansas City	819,917	685,604	+19.6	881,683	— 7.0
Omaha	311,378	221,825	+40.4	315,549	— 1.3
Denver	225,293	193,739	+16.3	223,576	+ 0.8
Dallas	423,923	352,280	+20.3	439,863	— 3.6
Houston	379,985	314,752	+17.0	384,589	— 1.2
San Francisco	1,119,137	942,303	+18.8	1,146,385	— 2.4
Portland, Ore.	364,145	304,200	+19.7	328,010	+11.0
Seattle	374,186	335,401	+11.6	398,636	— 6.1
Total 23 Cities	17,160,732	14,878,244	+15.3	17,948,915	— 4.4
New York	18,486,034	15,464,119	+19.5	20,808,977	—11.2
Total 24 Cities	35,646,766	30,342,363	+17.5	38,757,892	— 8.0
Daily Average	1,371,029	1,167,014	+17.5	1,490,688	— 8.0

Daily Wholesale Price Index

(1930-1932 = 100)

The Index is prepared from the spot closing prices of 30 basic commodities.

	1943 Oct.	Sept.	Aug.	July
1	172.26	171.61	†	170.97
2	172.08	171.44	170.64	170.69
3	†	171.29	170.76	170.47
4	171.97	171.04	170.69	†
5	172.48	†	170.75	*
6	172.31	*	171.09	170.86
7	172.52	171.33	170.98	171.16
8	172.80	170.98	†	170.86
9	172.83	171.64	170.61	170.71
10	†	171.88	170.54	170.04
11	172.77	171.78	170.61	†
12	*	†	170.46	170.37
13	172.68	171.99	170.44	171.03
14	172.96	172.06	170.22	171.03
15	173.30	171.99	†	170.40
16	173.09	172.30	170.14	170.21
17	†	172.37	170.19	170.21
18	173.21	172.20	170.00	†
19	172.65	†	170.71	169.94
20	172.40	172.23	170.79	169.90
21	172.19	172.42	170.59	170.10
22	172.62	172.22	†	170.55
23	172.33	172.06	170.93	170.43
24	†	172.26	171.02	170.35
25	172.21	172.43	171.23	†
26	171.98	†	171.46	170.13
27	171.73	171.99	171.55	170.15
28	......	172.21	171.75	170.55
29	......	172.24	†	170.53
30	......	172.19	171.57	170.79
31	†		171.65	170.64

† Sunday. * Market closed.

	HIGH		LOW	
1943	173.30	Oct. 15	166.61	Jan. 2
1942	166.02	Dec. 30	151.54	Jan. 2
1941	150.54	Dec. 12	123.03	Feb. 17
1940	124.84	Dec. 31	112.42	Aug. 19

FAILURES UP IN AUGUST

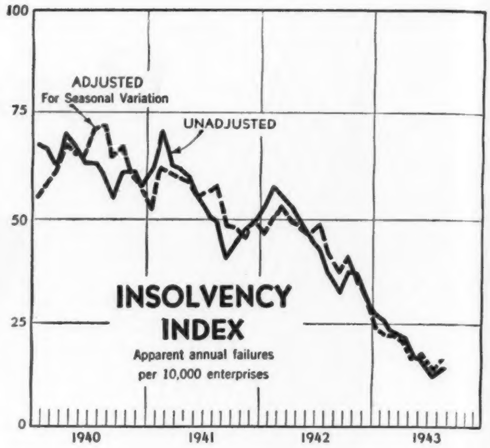
THE August record of business failures revealed a tendency for failures to increase at a time when they are usually approaching a mid-Summer low. The adjusted insolvency index showed an upturn of 2.2 points. This was the second rise in the index in the last three months. It rose in June, dropped in July, and rose again in August.

Summary: Failures numbered 227 in August, compared with 203 in July, a rise in failures per day of 8 per cent. Liabilities were very low—less than $3,000,000. This was the second time within the last year that debts have dropped to this record low level. Also, as an unusual occurrence, there were no deferred liabilities in the way of funded debts or large property mortgages connected with the large failures.

There were only two large failures in August, the month's failures increase being entirely among medium-sized and small concerns. During 1943, however, large failures have not shown the decline from last year's level that smaller failures have shown.

There was a geographical cleavage between the sections of the country reporting increased failures and those reporting fewer failures. In the Central and Southwest areas failures fell according to the seasonal pattern, but on both the Atlantic and Pacific seaboards there were failure increases. The Kansas City and Dallas Federal Reserve Districts reported no failures. Most of the month's increase was in the large cities, particularly in New York, Philadelphia, and San Francisco.

Manufacturing: Manufacturing failures dropped to an all-time low of 33. This compared with 43 in July and 119 last August. The decline was general throughout most manufacturing lines except iron, steel, and machinery products. Failures among printers, which have held up in the past, were negligible in August. Manufacturing failures so far this year totalled only 40 per cent of the number in the first eight months of 1942. The greatest relative decreases were in food, textile, and leather products, with the least



	August 1943	July 1943	August 1942	Per Cent Change
DUN'S INSOLVENCY INDEX*				
Unadjusted	13.2	12.2	36.7	—64
Adjusted, seasonally	15.2	13.0	42.2	—64
NUMBER OF FAILURES	227	203	698	—67
NUMBER BY SIZE OF DEBT				
Under $5,000	108	99	361	—70
$5,000–$25,000	91	79	279	—67
$25,000–$100,000	26	19	54	—52
$100,000 and over	2	6	4	—50
	(Liabilities in thousands of dollars)			
CURRENT LIABILITIES	2,905	3,595	6,781	—57
TOTAL LIABILITIES	2,905	3,695	7,021	—59

* Apparent annual failures per 10,000 enterprises.
More detailed figures appear in DUN'S STATISTICAL REVIEW.

FAILURES BY DIVISIONS OF INDUSTRY

(Current liabilities in thousands of dollars)	Number Jan.-Aug. 1943	Number Jan.-Aug. 1942	Liabilities Jan.-Aug. 1943	Liabilities Jan.-Aug. 1942
ALL INDUSTRY GROUPS	2,628	7,085	35,609	75,914
MINING, MANUFACTURING	449	1,142	14,037	23,345
Mining—Coal, Oil, Miscellaneous	18	37	687	1,491
Food and Kindred Products	63	231	2,206	5,826
Textile Mill Products, Apparel	70	220	827	3,228
Lumber, Lumber Products	57	123	1,426	2,758
Paper, Printing, Publishing	71	140	2,049	2,736
Chemicals and Allied Products	22	45	274	828
Leather, Leather Products	8	40	242	675
Stone, Clay, Glass Products	17	30	320	604
Iron and Steel, and Products	25	42	1,072	950
Machinery	36	52	3,639	1,048
Transportation Equipment	8	21	522	508
Miscellaneous	54	161	773	2,693
WHOLESALE TRADE	209	563	2,371	8,919
Food and Farm Products	78	223	794	3,421
Apparel	11	21	63	198
Dry Goods	6	19	56	341
Lumber, Bldg. Mats., Hardware	22	61	399	1,472
Chemicals and Drugs	6	23	44	515
Motor Vehicles, Equipment	5	30	49	248
Miscellaneous	81	186	966	2,724
RETAIL TRADE	1,470	4,470	10,458	31,084
Food and Liquor	416	1,394	1,776	6,350
General Merchandise	57	199	295	1,710
Apparel and Accessories	134	490	909	3,993
Furniture, Home Furnishings	72	271	578	2,207
Lumber, Bldg. Mats., Hardware	83	219	625	2,035
Automotive Group	92	381	734	3,176
Eating and Drinking Places	376	787	3,771	6,810
Drug Stores	101	337	651	2,440
Miscellaneous	139	392	1,119	2,363
CONSTRUCTION	308	523	4,545	6,924
General Building Contractors	116	172	2,885	3,849
Building Sub-contractors	186	335	1,492	2,747
Other Contractors	6	16	168	328
COMMERCIAL SERVICE	192	387	4,198	5,642

decline in iron, steel, machinery, and stone, clay, and glass products.

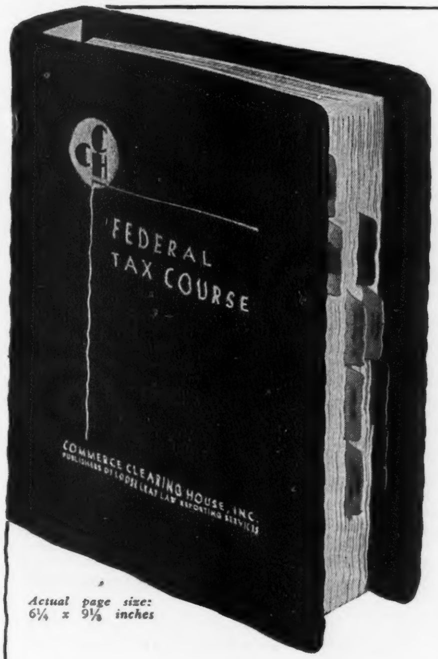
The cumulative record by size shows that large manufacturing failures have dropped much less than those in the smaller groups. The two large failures in August were manufacturers, one in steel and one in tools.

Retail Trade: The actual number of retail trade failures turned upward for the first time since last October, with an increase from 98 in July to 120 in August. On a seasonally adjusted basis, however, retail trade failures have been erratic for the last few months. The August rise was due largely to the greatly increased number of restaurant failures. The total was carried above even the May and June figures, but was still less than the number at the beginning of the year. Likewise failures among food stores did not follow their usual downward course, but remained at the July level. Failures in other lines—namely, furniture, hardware, apparel, and general merchandise—which have zigzagged quite regularly experienced an upturn in August.

Retail trade failures from January through August were only a third of the number in the same period of 1942. Declines so far this year were most marked in general merchandise, furniture, and automotive lines; down about the average for the group in apparel shops and drug stores; and down less than the average in hardware stores and restaurants. Failures have fallen about equally in all four size groups.

Other Groups: Wholesale trade failures turned up sharply in August. The increase was principally in scattered miscellaneous lines. As a group, wholesale trade failures have declined less during the year than either retail or manufacturing failures, being only 10 per cent fewer in August than in January compared with a 55 per cent drop in retail trade failures since the first of the year. Construction failures, mostly among subcontractors, turned up for the first time since early Spring. Commercial service failures were down as a group, with a greatly reduced number of laundry failures.

Canadian failures numbered 7 with debts of $64,000 as compared with 12 in July with debts of $87,000. In the year to date they have totalled 158 as compared with 431 in the like period of 1942, a drop of 63 per cent. Cumulative debts, amounting to $3,258,000, were, however, only 7 per cent lower this year than last.



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RETAIL TRADE IN A WAR ECONOMY

(Continued from page 9)

ment and charge account obligations from peacetime, with extensive and intensive use of consumer credit, to wartime with the restricted use of consumer credit.

Shrinkage in Current Liabilities—With smaller receivables and smaller inventories, current liabilities naturally decreased. Here is the second change in direction over the 1941 ratios when ten of the twelve lines showed higher median percentages of "current debt to tangible net worth" than in 1940. For 1942, ten trades show smaller "current debt to tangible net worth." The two exceptions were in the cases of retailers of fur garments, and retailers of shoes.

Smaller Investment in Fixed Assets—Limitation order L-41 of the War Production Board dated April 9, 1942, prohibited the start of unauthorized construction projects which would use materials needed in the war effort. This essential action was taken as war requirements had created shortages in iron, steel, copper, aluminum, bricks, cement, lumber, metal fixtures, and similar products. No construction for commercial or industrial use may be initiated without permission, if the cost of the project is $5,000 or more. This order does not affect ordinary maintenance and repair work.

In addition to these exacting nationwide restrictions, there has existed the practical difficulty in purchasing materials, often in small amounts to remodel store fronts, to renovate elevators, to effect minor structural changes, to equip with modern lighting fixtures and with modern showcases. Building materials and supplies have been needed and are needed to erect war plant facilities and to keep these plant facilities in first class condition so that they may continue to hum 24 hours a day on war orders. Each of the twelve retail lines shows a decrease in the median ratio in 1942 of "fixed assets to tangible net worth." Here is a reservoir of construction, remodeling, and renovation jobs for private business when V-day comes over the horizon. Until then the proportion of tangible net worth invested in real estate, buildings, improvements, furniture, and fixtures will continue a downward trend in all retail lines of business.

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MANUFACTURERS DIRECT SUPPLIES, 92 Loop St., Household hardware, crockey, glassware, cutlery, brushware, dinnerware.
SAM NEWMAN, LIMITED, 30 Burg St., Hardware, sanitaryware, tools, electrical and household goods.
L. F. RAE & SONS, (B 442), Foodstuffs, general hardware and chemicals.
L. RAPHAELY & SON, (B 447), Branches Johannesburg and Durban, Textiles, foodstuffs, industrial requirements.
ROWLAND, CHUTE & CO., LTD., 57A Long St., All plastic products, hospital, building and catering equipment.
SLADEN & ASHMAN, (B 2159), Toilet sundries, novelties for chemists and departmental stores.
SOLOMON J. & SON, (B 675), Hardware, soft goods, rough goods, machinery and groceries.
SONVIL PTY., LTD., 43 Strand St., Ladies' and men's hosiery and underwear.
WM. SPILHAUS & CO., LTD., (B 113), Machinery, household appliances, silverware.
STUTTAFORD & CO., LTD., Adderley St., Nylon products and home electrical appliances.
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ASHTON, PITT & CO., PTY., LTD., (B 1707), Electrical and general hardware.
BRITISH & CONTINENTAL AGENCIES, (B 854), Canned goods, bakers' machinery, paper, oils and fats, woolen and rayon waste.
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KENT & CO., (B 515), Groceries, canned goods, sport and toilet requisites,
W. D. KYLE PTY., LTD., (B 1484), C. T. Pipes, architectural plastics, sanitaryware, imitation glass, air conditioning units.
O. F. LUBKE PTY., LTD., 15 Hooper Lane, Electrical supplies, heating and cooking equipment.
A. & H. MACNAY, PTY., LTD., (B 811), Engineering supplies.
A. S. MATHER, (B 2499), Haberdashery, piece goods, builders' and general hardware, canned foodstuffs.
E. WAYNMAN McKEOWN, (B 1436), Canned products, breakfast cereals, confectionery.
J. M. MOIR, (B 849), Asphalt, electrical appliances, ignition and Diesel fuel equipment.
E. S. MOWAT & SONS, 51 Milne St., Mechanical and electrical machinery, industrials.
SOUTHWOOD & CO. PTY., LTD., (B 41), Canned foodstuffs, artificial jewelry, piece and soft goods.
A. C. J. VAN MAASDYK & SON PTY., LTD., (B 2062), Piece and soft goods, general hardware.
VINCENT & PULLAR, LTD., (B 1146), General engineering sundries, abrasives.
P. J. G. WOOTTON, (B 1595), Piece goods, paper, hardware, glassware, toys, electrical goods.

JOHANNESBURG, S. A.

ASSOCIATED PROPRIETARY AGENCIES, LTD., (B 4247), Indent and distributing agent for toilet preparations.
AUTOMOBILE ELECTRIC SUPPLY, LTD., (B 2964), Storage batteries, auto and aircraft accessories, parts.
HARRY L. BEILES, Hollandia House, President St., Tooth and hair brushes, imitation jewelry and novelties.
BERT, MENDELSOHN PTY., LTD., (B 565), Edible and domestic products.
HERBERT E. BOWEN (FRIENDLY ADV. PTY., LTD.), (B 3102), All types advertising specialties.
COMMODITY AGENCIES PTY., LTD., (B 1711), Produce, industrial raw materials, timber.
HUBERT DAVIES & CO., LTD., (B 1386), Branches throughout Union and Rhodesia, Mechanical, electrical and civil engineering.
B. P. DAVIS, LTD., (B 3371), Representing Bauer & Black, Chesebrough Mfg. Co., American Chicle Co., etc.
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GOODMAN BROS., (B 2081), High class jewelry and fancy goods.
HOLTUNG, VAN MAASDYK PTY., (B 6511), Shop and office equipment, electrical goods, industrial.
JACOBY & COMPANY, (B 3455), Cigars, cigarettes, tobaccos, smokers' requisites.
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B. OWEN JONES, LTD., (B 2933), Heavy industrial chemicals, steel works and foundry supplies, pharmaceutical and reagent laboratory chemicals, laboratory supplies, optical instruments, scientific instruments, medical and surgical instruments, control instruments.
A. W. JONES, WALKER & CARST PTY., LTD., (B 5500), raw materials, industrial chemicals, steel products, timber, textiles.
KATZ & LOURIE, LTD., (B 1919), Optical requisites, novelty jewelry, watchmakers' and jewelers' accessories, luggage.
LENNON, LIMITED, (B 8389), Wholesale manufacturing and retail chemists and druggists. (Est. 1850)
A. H. MARCUSON & CO., (B 5438), Yarns, dyes, textiles, hosiery, chemicals, plastic materials and constituents.
MARTIN & SUTHERLAND, PTY., (B 8188), Jewelry, ring dies, manufacturing jewelers' accessories.
ORE & METAL CO. PTY., LTD., (B 3548), Buyers and exporters of base minerals.
H. POLLIACK & CO., LTD., INCORPORATING MACKAY BROS., LTD., MACKAY BROS. & McMAHON, LTD., Also Cape Town, Durban, Port Elizabeth and Pretoria, for everything musical and electrical.
PROTEA DISTRIBUTORS PTY., (B 7793), Surgical, medical and hospital supplies and equipment, pharmaceuticals, cosmetics, photographic supplies.
RAYMONT & BROWN PTY., LTD., (B 7524), Textiles, essences, split oak staves, chemicals, yarns, manufacturing supplies.
REUNERT & LENZ, LTD., (B 92), Mechanical and electrical engineers and supplies.
E. I. ROGOFF PTY., LTD., (B 7296), Timber, veneer, plywood, hardware, cotton, silk and woolen piece goods, upholstering materials, glassware.
C. F. SHAW, LTD., (B 4372), branches in every British or French Territory in Africa, India, Palestine and Middle East, Factory representatives, import and export agents representing leading British, American, Canadian manufactureres.
SYDNEY, SIPSER & CO., Ottawa House, President St., Ladies' frocks, coats, etc.
SOUTH AFRICAN DRUGGISTS, LTD., (B 5933), Chemists, druggists, opticians, photographic dealers, industrial and pharmaceutical chemicals.
L. SUZMAN, LTD., (B 2188), Tobacconists' ware, confectionery and groceries, general merchandise.
TAYLOR & HORNE, 176 Jeppe St., Dental sundries and toilet requisites.
VERRINDER, LIMITED, ASSOCIATED WITH S. HARTOGS PTY., LTD., (B 6666), also Cape Town, Durban, Port Elizabeth, East London, Bloemfontein, Kimberly, Bulawayo, Salisbury and N'dola, Proprietary medicines, beauty preparations and toilet requisites, groceries and confectionery.
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GILCHRIST'S ELECTRICAL STORES PTY., LTD., Main St., Electrical and radio equipment.
EDWARD SEARLE & CO., (B 430), Motor spares, accessories, garage equipment, tools.

NORTHERN RHODESIA

N'DOLA AGENCIES, (B 128), N'dola; Hardware, enamelware, dresses, foundation goods, general merchandise.

CANCELLATION POLICIES

(Continued from page 15)

ing. Where amounts due under the contract have been assigned, partial payment must be consistent with such.

As was noted, existing regulations prohibit contracting officers from making partial payments directly to subcontractors, vendors, or suppliers whose subcontracts or purchase orders have been cancelled as a result of termination of a War Department prime contract. As stated in the regulations, this is based upon the following reasons:

1. There is no direct contractual relationship between the Government and the subcontractor.

2. There is no assurance that counterclaims or set-offs by the prime contractor (or by intermediate subcontractors) against the subcontractor in question will have been taken into account by the contracting officer in making partial payment.

3. There is no assurance that the amounts of such payments would be taken into account in determining the amount due the prime contractor.

4. The administrative difficulties arising out of attempting to deal directly with subcontractors would tend to delay the settlement of terminated contracts.

The services, the Navy in particular, pointed out in the hearings before the House Military Affairs Committee that, under Title II of the First War Powers Act of December 18, 1941, (which expires six months after the war) and Executive Order 9112 of May 26, 1942, contracting officers have no authority, either during or after the war, to make partial payments to prime or subcontractors on cancelled claims of terminated contracts. They also feel that guarantee of loans ("V" or "VT" loans) should have legislative sanction to make the authority of Government contracting officers effective for the post-war period. Legislation already has been recommended and is pending to aid in curing this legal deficiency.

On September 1, 1943, the existing guaranteed "V" loan agreements were broadened to cover the post-cancellation period preceding final settlement. When cancellation of the borrower's war contracts occurs, maturity will be suspended of that part of the loan proportionate to the amount of the contracts cancelled and interest on the loan waived as is now provided under "V" guarantees.

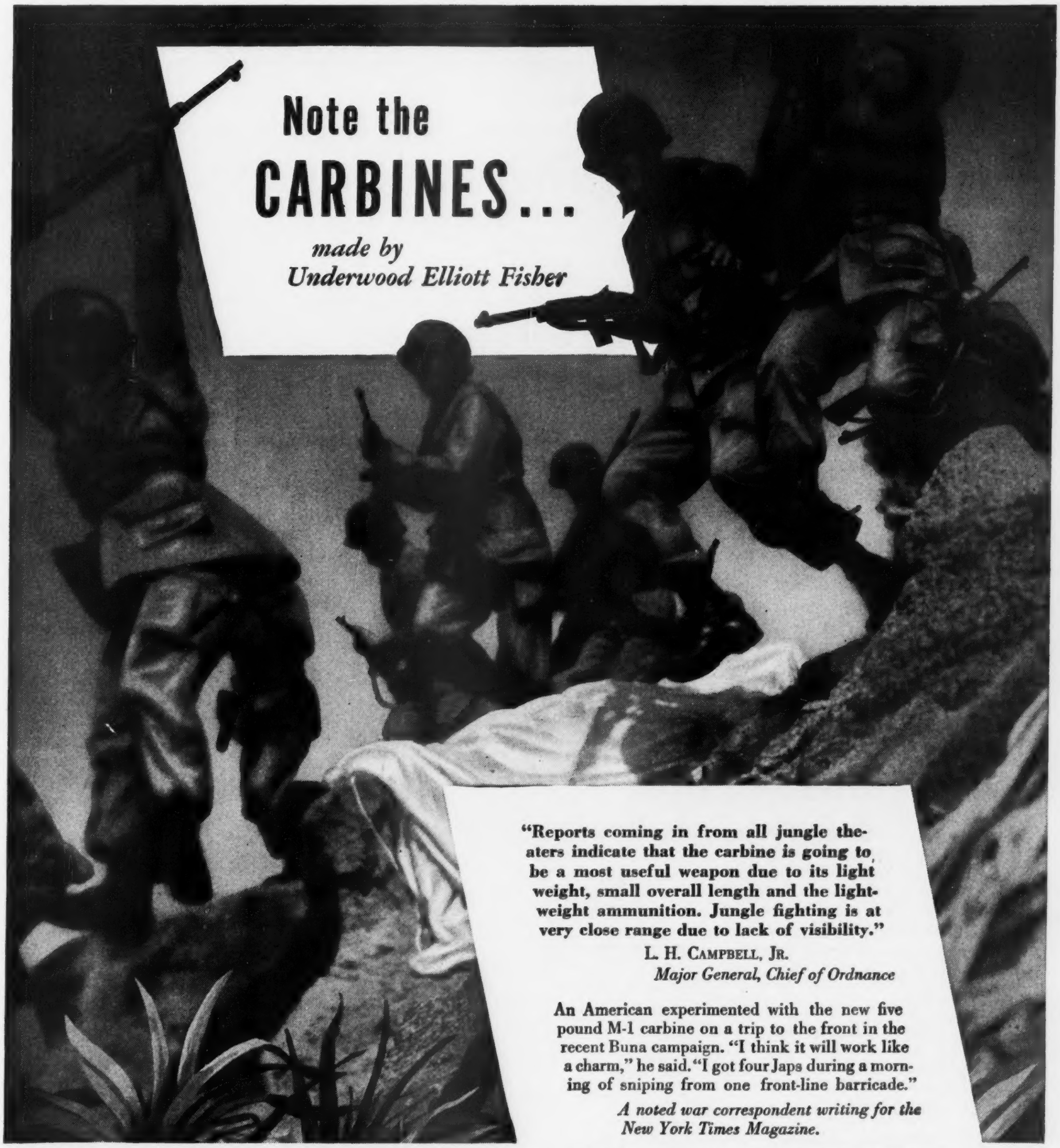
Under the broadened guarantee-loans, designated now as "VT" loans, the amount of loan which a contractor will be entitled to obtain in the event of cancellation of his contracts will be stated in the loan agreement as in terms of a percentage of inventories, work-in-process, accounts receivable, and (without duplication) amounts paid or concurrently to be paid by him to subcontractors or suppliers by reason of contract cancellations.

Subcontractors and suppliers will receive protection in that the borrower will be required to pay whatever he owes them in connection with the items used as a basis for the borrowing. Thus, while "V" loan would assist the contractor for production purposes the "VT" loan makes possible the use of funds that otherwise are tied up in his inventories, work-in-process, and accounts receivable after cancellation. The maximum maturity of commitments which can be approved by the services ranges from three to three and one-half years, or according to term of settlement provided in the guarantee agreement, whichever is shorter.

According to Circular No. 2691 of the Federal Reserve Bank of New York, dated September 13, 1943, and sent to all banks and financial institutions, in the Second Federal Reserve District, a portion of the funds to be provided under a "VT" loan agreement are to be made available to the contractor for financing war production as well as for financing termination settlements. This is based on the premise that it "avoids any question as to the power to guarantee a loan to be made available solely after termination."

The circular further points out that the "VT" loan program intends that there should be an over-all credit, and the maximum amounts which may be borrowed for production and cancellation purposes or divided between the two purposes, depend on agreement between the borrower and the bank as to the loan formula. The War Department, in general, will permit the full credit to be used for war production as well as on termination, but the Navy and Maritime Commission on approving the loan may require a limitation to amounts needed for financing war production on the amounts to be borrowed before cancellation.

In case a bank makes a loan after



Note the paratroopers:—Their fire power is increased by the new U.S Carbine, Cal. .30 M-1, a light, fast-firing gun.

For Victory . . . UEF enlisted to make Carbines

also in war production on—Airplane Instruments—Gun Parts—Ammunition Components—Fuses—Primers and Miscellaneous Items.

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TO OUR MILLIONS OF VALUED CUSTOMERS:

TYPEWRITERS—New and used typewriters are sold only to the U.S. Government for the armed services. You may rent used machines under Office of Price Administration regulations.

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RIBBONS, CARBON PAPER, ETC.—We may sell ribbons, carbon paper and other supplies for all types of office machines without restriction.

MAINTENANCE—Our maintenance service is in complete and efficient operation from coast to coast to help you keep your Underwood, Elliott Fisher and Sundstrand machines operating efficiently and we are permitted to manufacture the necessary parts.

cancellation, under the commitment previously given, interest is waived and the guarantor (service agency) pays interest on a portion of the loan proportionate to the amount of cancellation, as is provided in the guarantee agreement.

Settlement Releases

Practically all the procurement departments and agencies have approved form agreements or releases to be signed upon final settlement. These agreements provide that the contractor accept the settlement sum in full and complete settlement of all his rights and of all obligations and liabilities of the Government under the contract and that he release the Government from all further liability and obligation. If the settlement sum is to be exempted from renegotiation, no renegotiation clause is incorporated therein. However, if the services determine that a renegotiation clause must be inserted, such clause must be present. Only after a final settlement agreement or release is signed will the disbursing officer make payment to the contractor.

If an "unliquidated damage" claim is in dispute, that is, one which cannot legally be determined by the services, an appropriate clause to this effect can be incorporated by amendment of the existing form releases. For the United States Supreme Court has ruled that Government agents cannot decide such claims upon cancellation of contracts and that they are to be exclusively remitted to the Federal courts for decision.

In case a contractor is dissatisfied with any proposed settlement sum, he may appeal to the War Department Board of Contract Appeals within 30 days from the date of the contracting officer's decision. However, he must not sign the final payment voucher before he makes a formal appeal. Then, too, if renegotiation proceedings are pending, the Board of Contract Appeals will suspend any such appeal proceedings until the Price Adjustment Board completes renegotiation settlement.

The Navy Department does not have any Appeals Board, but an appeal may be made to the Secretary of the Navy or his designated representative for review of the contracting officer's allowed settlement sum.

As a last recourse, the contractor can appeal to the Federal district courts if the amount in controversy is below $10,000, and, if it exceeds this, to the Court of Claims of the United States.

OVER THE EDITOR'S DESK

Since publication a year ago of the fourteen financial ratios (see page 7) compiled annually by Roy A. Foulke, there has been even a more intense interest in these figures than before. Many companies have found them of use in considering whether operations were "typical" of the industry in the years used as a base for tax purposes. For most lines of business these ratios are available for years beginning with 1931.

As in other years the ratios will be published in pamphlet form; copies of the pamphlet will be available late in December. The ratios for wholesale lines and for manufacturing industries will appear in the next two numbers of Dun's Review.

In November, Columbia University President Nicholas Murray Butler discusses, "What Does Freedom Mean?" in an especially quotable article. . . . And Director J. P. Watson, Bureau of Business Research, University of Pittsburgh, offers a pertinent and timely review of various aspects of "Subsidies as Aids in Price Control."

Among the "stories" that are coming soon is a two article treatment of gross product statistics. Last year's articles on national income proved to be of lasting value to many. The gross product figures are even more useful for some purposes; the work that has been done is almost delightfully interesting.

With this number, Dun's Review takes another step in more efficient use of space for conservation of paper. It is also another step away from attractiveness, we fear, but a step that will be forgiven even by those many friends who have praised typography and layout.

This month in the "front" of the magazine the columns of text are three quarters of an inch longer and the lines of type are closer together by about one seventy-second of an inch. This permits some 60 words more to a column, an increase of 18 per cent.

Dun's Review has been particularly hard hit by the paper conservation efforts because it voluntarily took large steps in this direction early in 1942. In the last half of that year it used about 35 per cent less paper than in the last half of 1941. Then the WPB regulations of December 31, 1942, reducing magazine paper tonnage 10 per cent below 1942 usage, came on top of the earlier reduction.

A plan to Check Loss of Personnel . . . *"Honesty Engineering!"*

When trusted employees help themselves to your money or merchandise, fidelity insurance will repay your financial loss. But it cannot make good your loss of trained, hard-to-replace manpower, or offset the blow to morale in your office or plant.

Now, through its Personnel-Protection Plan, the U. S. F. & G. is ready to help you stop employee dishonesty before it starts!

A western packing company, for example, was having so many losses due to employee dishonesty that it faced the loss of fidelity insurance protection. But when it adopted the U. S. F. & G. Personnel-Protection Plan, dishonesty losses dropped more than 80%.

This new plan of "Honesty Engineering" helps reduce employee dishonesty in much the same way that safety engineering and fire prevention work have reduced accidents and cut fire losses for American business.

Based on long experience in the bonding field, the U. S. F. & G. Personnel-Protection Plan not only insures you against loss through employee dishonesty but: (1) discloses undesirable personnel and prevents waste in training; (2) through tested methods helps keep good employees from going wrong; (3) helps employers eliminate leaks and pitfalls and acts of carelessness which often lead to employee dishonesty.

Your U. S. F. & G. agent will be glad to give you more information about how the Personnel-Protection Plan helps you keep your employees by keeping them honest. Consult him.

* * *

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DAYTON AREA SOLVES LABOR PROBLEM

(Continued from page 12)

activities with the result that instead of anticipating a 10,226 rise in total employment, they prepared to actually reduce the staff employed on June 1 by 1,061 within twelve months.

A poll of department stores showed that full-time employment had increased from 1,697 to 2,353. There were fewer men and more women full-time workers. A tremendous increase in part-time employment was reported. The number of women part-time employees, for example, had jumped from 228 to 834.

Dayton retailers showed a full-time employment increase from 3,669 to 4,165 while the number of women part-time workers jumped from 433 to 1,189.

The available Negroes in the community are all employed, but most are working at non-industrial jobs, it is reported.

Employment of Women

A recent survey of war plants showed 6,000 jobs that women can fill in these industries in Dayton and Springfield. Women are greatly needed in other jobs throughout the community.

Dayton volunteers took a Gallup-type poll which disclosed that 68,300 women are working full time, 6,504 are employed part time, and 108,055 are not working. Of the latter, 10,137 are available for full-time jobs, 7,508 are available part time, and 9,272 are "available maybe." The remaining 81,137 are not available for work.

Of the women willing to take full-time jobs, almost all said that they would go to work without hiring household help. More than two-thirds of these were married. While about half of the married women had minor children, most of them said that relatives would care for the children; only one in seven said she would have to rely on a day nursery. Of the persons available for part-time work, virtually all were married and three-fourths had minor children.

Dayton has set up a committee to determine the need for a child care program in the community. This need stems out of the above statement that approximately one out of every seven women, not now working, who said they would be willing to take full-time work, indicated they would need some

nursery care for their children during the working day.

Five child-care centers are operating under the auspices of the Board of Education and there are five extended school programs in operation.

Approval has been secured in Springfield for four nursery schools and eight extended school programs.

An extensive educational program to induce women to enter wartime jobs, and to inform the community on manpower problems has been conducted in Dayton. The campaign, addressed to women, has been carried on through the press, radio, motion pictures, billboards, and special publications.

As a motion picture medium to secure women war workers, women are interviewed at their jobs, the interviews being recorded and photographed with motion picture cameras. Persons attending a Dayton theater the following week hear a local woman tell why she took her wartime job and how she likes it.

Housing Projects

As outlined earlier in this article, there is an acute shortage of family type housing in Dayton. Housing construction has been speeded since the Emergency Committee was set up. But even when the current projects are all completed, Dayton still will have a severe housing shortage and probably will continue to have one for the duration.

The isolated location of the air fields has increased Dayton's housing difficulties. For housing air field workers emphasis has been placed on dormitories. One, containing 513 units, already is occupied at Wright Field, while a 1,056 unit dormitory is occupied at Patterson Field. Other projects nearby, both dormitories and regular housing developments, are under construction. One, at River Bend, will, when completed, house 200 girls employed in office work at the fields.

Between January 1, 1940, and the end of June 1943, approximately 8,400 new privately financed and nearly 6,600 publicly financed housing accommodations were started in the Dayton area. Of the privately financed accommodations, 6,900 were built to sell or rent at prices within a range suitable for war workers. The publicly financed accommodations consisted of a 604-unit low rent housing project and 6,012 units planned exclusively foi war workers.

Transportation

The most serious transportation problem involved passage between Dayton and the three air fields which are, respectively, six, nine, and twelve miles out. The majority of commuters shared rides in private automobiles, but many relied on buses. Transportation was recognized as one of the chief difficulties of the air fields in getting and holding personnel.

A series of improvements has materially bettered the situation. These include addition of nine buses to the field service, improved parking lots at the fields which eliminated mud-hole conditions, new loading shelters at the air fields and downtown, improvement of roads in the vicinity of the fields and changes in traffic regulations to speed the flow.

Both Dayton and Springfield are organizing defense recreation committees to provide more relaxation and sports for the war workers of the area.

Community Services

Several important steps have been taken in Dayton to improve the various services of the community.

Hotels have limited the stay of each guest to five days, thereby remedying an extremely crowded hotel situation.

A survey of local laundries showed that they were operating at low efficiency. Luxury services have been eliminated and more women employed, with the result that companies formerly unable to handle their flow of business, are now advertising again for new customers.

Employment appeals to women have provided more help for restaurants. Many frills have been eliminated from services provided by eating places in order that they can serve more customers.

The biggest stride made in improving community services, however, has been in opening the stores, barber shops, banks, and ration boards two evenings a week.

The main demand for such action came from Generals Frank and Bradshaw who argued that civilian employees at the fields were complaining that they had no time to shop or perform other personal matters.

Turnover and Absenteeism

Dayton and Springfield have taken definite steps against the four manpower problems listed by local manufacturers as the most hindering to war production.

In a poll, 115 manufacturers set forth the lack of job applicants as their biggest problem, 42 listed absenteeism as most important, 30 named turnover, and 20 named lowered efficiency of the working force.

The campaign to get women to take war jobs is expected to remedy the first problem to a great extent. Although it is still too early to determine the exact results, decision of the stores to remain open two nights a week has reduced absenteeism.

The WMC campaign to get employers to interview new employees and those quitting already is showing results. This action, plus the improvement in community services, has cut turnover, which in the past has run as high as 10 or 12 per cent a month to the May and June averages of 6.4. The larger plants in the area reported a 4.4 turnover for the two months, the smaller ones, 9.1, and the air fields, 7.3.

By relieving absenteeism and turnover, it is expected that efficiency will be increased. For furthering efficiency, a meeting of manufacturers was called for extension of the Training-within-Industry program in the area.

Robert C. Goodwin, regional director of the WMC for Ohio, Michigan, and Kentucky, summarizes the future outlook for the Dayton-Springfield area thus:

"This is no longer an acute labor shortage area. We had a hard time deciding to remove it from the list. We did so only after being convinced that the whole community, management, labor, and the public was ready to go all the way in its effort to use all available local labor to the fullest possible extent. We believe that employment stabilization will continue to work and that the area will stay out of the shortage list.

"The people of Dayton say it will. Time will tell, but we are confident that the people of Dayton are right in their conclusion."

DUN'S REVIEW

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The stuff dreams are made of . . .

A BOSTON department store has announced its intention to establish helicopter service after the war from various New England cities to the roof of its building on Washington Street. There will be many such dramatic developments after the war but most of them would have come sooner or later in any event. The special opportunities which the post-war period offers are to the business man whose usual operation has been completely disrupted. The process of change-back will permit improvements which seemed impossible when operating full speed.

A certain New England college has two dormitories where major improvements have long been planned. They never could be done because the buildings were continuously needed to house students. Now there is a real possibility that between the time the present Army occupants move out and civilian students return the work can be done. Everybody has a collection of plans filed away in his head which start, "If I could do it over again, I would . . ." In the near future many business men will have the unusual opportunity of turning such dreams into realities.

Willard L. Thorp
EDITOR